# U.S. to Drop Antitrust Case Against Chipmaker

Settlement Ends Dispute Over Sharing of Intel's **Product Innovations** 

By Mitchell Martin

NEW YORK — The U.S. government is planning to drop its antitrust case against Intel Corp., both parties announced Monday after they reached a tentative but undisclosed settlement in the case a day before hearings were to

The chipmaker and lawyers for the Federal Trade Commission submitted a joint motion to the commission's secretary to withdraw the administrative case, which was filed in June. The four members of the regulatory agency must ratify the settlement before it can take

effect, but they are expected to do so.

The settlement ends a government case that covered complaints against Intel by three companies - Compac Computer Corp., Digital Equipment Corp. and Intergraph Corp. — but a separate and broader investigation of the chipmaker will continue, Chnck Mulloy, a spokesman for the company, said from Washington.

Intel's stock rose \$5 Monday, to close at \$119.625, a sign that investors see the settlement as at least a partial victory for the company.

The case against Intel was narrower than the Justice Department's action against Microsoft Corp., and the relief the government was seeking was far less than the potential sanctions against the software maker. There was no talk of breaking up Intel, as has been proposed if the government prevails against Mi-crosoft; instead the government simply sought to force Intel to drop an aggressive tactic used against parative allies.

At issue was Intel's refusal to provide information about its new technology to companies that saed it over patent dis-putes. Intel said it had the right to do this; the government said it did not.

Robert McTamaney, a partner in the law firm Carter Ledyard & Milburn, which unsuccessfully defended the Standard Oil Trust in 1911, said he thought Intel was "100 percent in the right," adding that antituest laws do not "require that you feed the hand that bites you."

that you feed the hand that bites you."

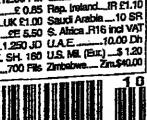
The Intergraph charges seemed the strongest part of the government's case. Intel settled its dispute with Digital in October 1997 by buying that company's semiconductor operations. Compaq, which acquired the rest of Digital last year, would have trouble showing much harm from Intel's actions, in which the chipmaker sided with Packard Bell Elecchipmaker sided with Packard Bell Elec-tronics Inc. in a patent dispute.

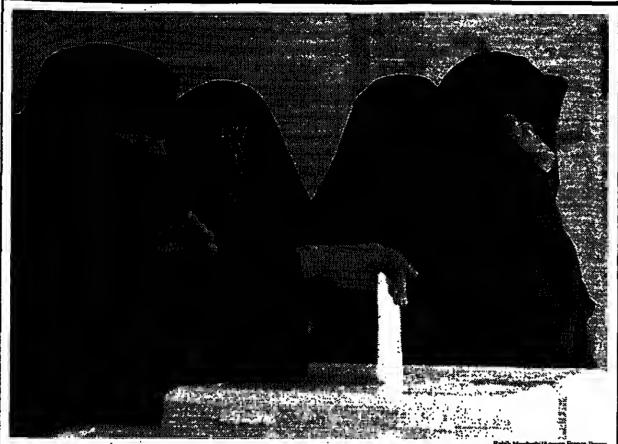
But Intergraph has seen its stock fall from more than \$19 a share in 1996 to about \$6, and its sales last year fell 8 percent. It contended that Intel convinced late in 1993 to exclusively use Intel's chips in its workstations, powerful com-puters used for professional applications such as architecture and engineering. As part of that accord, the companies

See INTEL, Page 12

	ine Dollar	
New York	Monday Q 4 P.M.	previous closs
Euro	1.0885	1.0833
Pound	1.606	1,6067
Yen	121.585	122.75
DM	1.7969	1.8055
FF	6.0265	8.0552
Dallars per pe	ound and per sum.	
	The Dow	
lacktriangle	Monday close	percent change
-8.47	9,727.61	— 0.09%
	S&P 500	
+ 6.48	1,281.94	+ 0.51%
	Nasdaq	
4		
+ 60.51	2,397.62	+ 2.59%
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Books		Page 7.
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MAKING GULF HISTORY - Women in Doha, Qatar, casting ballots Monday in a local election. It was the first time in a Gulf state that women had voted. Although few Qatari women drive cars or uncover their faces in public, six women were candidates in council elections — on International Women's Day.

# Russian Bank Said to Hide Billions

Audit Shows a Vast Flow Abroad and Possible Misdirected Profits

By David Hoffman Washington Post Service

MOSCOW - The Russian central bank sent billions of dollars of foreign currency reserves out of the country and into a secret offshore network during the past five years, and profits from the investments appear to have been concealed from the Russian authorities, according to an internal andit of the bank's

activity.
Moreover, documents show, part of the hidden flow of money was clandes-tinely directed back into Russia's highflying government Treasury bond mar-ket in 1996 in a move that may have been illegal.

The documents are part of an internal audit of the central bank for 1997. The

By Joseph Durso
New York Times Service

HOLLYWOOD, Florida - Joe DiMaggio, whose baseball greatness with the New York Yankees and

marriage to Marilyn Monroe made him an indelible

American folk hero, died Monday at his home here.

DiMaggio died shortly after midnight, nearly five months after undergoing surgery for cancer of the lungs. He spent 99 days in the hospital while sur-

fering several setbacks from lung infections, and his

illness generated a national vigil as he fought pneumonia and cancer and several times was reported near death. He went home on Jan. 19, weak but alert

but with little hope of surviving.

His body was flown to Northern California for a

funeral Thursday and for burial in San Francisco, his

hometown.

At the Baseball Hall of Fame in Cooperstown, New

York, the flag was flown at half-staff and a wreath was

placed around the bronze plaque summarizing his

records and achievements during his 13 seasons when

his team, the New York Yankees, was winning 10

American League pennants and nine World Series.

"He was the personification of grace, class and dignity on the baseball diamond," said Bud Selig,

'As an immigrant's son, he represented the hopes

and ideals of our great country."

He was called the Yankee Clipper and was acclaimed at baseball's centennial in 1969 as "the

See DIMAGGIO, Page 22

but the internal documents have not.

The documents, contents of which were disclosed to The Washington Post, suggest unorthodox and possibly risky management of Russia's foreign currency reserves between 1993 and last year, as Russia struggled with a difficult transition to a market economy.

A leading member of Parliament has raised further questions about whether the foreign currency reserves were used for private gain, although there is no evidence of who got the money.

In particular, the documents say that data about profits from the offshore

investments are missing, that informa-tion was concealed from Russia's investigating authorities and that the central bank lacked control over hillions of dollars it sent overseas.

Joe DiMaggio, a Baseball Legend, Is Dead at 84

work come at an awkward time for Russia. The government is hoping to persuade Western creditors to provide billions of dollars in further debt relief, and that decision could be complicated if it is

established that earlier aid was misused. Another unanswered question is how much Western donors may have known about the hidden flow of funds set up by the central bank, which has handled major infusions of aid from the Inter-

national Monetary Fund.

At the same time, the central bank is facing renewed demands in Parliament to curb its independence.

The central bank has responded to questions about the issue with brief explanations and silence. Viktor Gerashchenko, the current chairman, who

# Blair Presses Case For Europe Force

U.S. Can't Solve Every Crisis, He Says, Urging Quick Action

By Joseph Fitchett International Herald Tribune

LONDON - Prime Minister Tony Blair pressed his call Monday for Europe to develop the military capa-bility to handle a future crisis comparable to Kosovo without U.S. troops, urging allied governments to agree on

### Kosovars Accept Accord

Leaders of the Kosovo Liberation Army are said to have agreed to the terms of the peace deal negotiated in France and to have anthorized signing it. Page 5.

plans for a European force within NATO in the next three months.

'We Europeans should not expect the United States to play a role in every disorder in our back yard," Mr. Blair said at a conference of U.S. and European policymakers ahead of the NATO summit meeting in Washington in April

marking the alliance's 50th anniversary.

The timing of Mr. Blair's speech seemed to reflect British concern that the European initiative obtain U.S. endorsement at the summit talks, His speech also appeared to be intended to sustain support in Washington for U.S. involvement in the Kosovo crisis. Congressional critics have suggested that the time has come for the United States

to stop solving problems that they say Europe should deal with.

Publicly setting a timetable for the joint British-French defense initiative for the first time, Mr. Blair said that he hoped that the plan for defense cooperations. ation among European countries would win NATO hacking in April in time to be finally adopted by the European Union in June.

European countries urgently need to develop the ability to undertake joint military actica, he said, if Europe wants to gain political credibility and continue to be taken seriously as a partner by the United States on security issues.



Roderick Abbott, head of the EU's delegation to the WTO, arriving Monday at the trade body's Geneva headquarters.

# Europe's Bank **Won't Tolerate** Political Heat, **Tietmeyer Says**

By John Schmid tional Herald Tribu

FRANKFURT - The Bundesbank day against continued meddling in the affairs of the European Central Bank, and said that public trust in the euro was at stake if the currency weakened further.

In unnsually hlunt language in a newspaper interview, Hans Tietmeyer, the head of the Bundesbank, said that political pressure would damage prospects for easing European interest rates.

His comments appeared to be aimed at Germany's vocal finance minister, Oskar Lafontaine, who has repeatedly pressured the European Central Bank to reduce rates to stimulate Europe's weakening economic growth.

The more intensively these discussions are led in public, the less scope it leaves for monetary decisions," Mr. Tietmeyer said.

Germany's leading central banker, who is a prominent member of the European Central Bank's governing board, said he was "not interested" in a further weakening of the euro, according to the article on the front page of Handelsblatt business daily.

Mr. Tietmeyer's seemingly worried tone led analysts to conclude that the Bundesbank feared that the fledgling euro could suffer a renewed bont of weakness against the dollar if pressure grew for lower European rates even as American interest rates rose, Mr. Tietmeyer described this as a "dilemma" for the European Central Bank.

The weakness of the euro speaks against a rate cnt, Mr. Tietmeyer said. And lower interest rates in the current economic situation would have little

See EURO, Page 12

# **Alarm Over Antibiotics**

## Use in Animal Feed Seems to Endanger Humans

By Denise Grady

the commissioner of baseball.

NEW YORK - Faced with mounting evidence that the routine use of antibiotics in livestock may diminish the drugs' power to cure infections in people, the U.S. Food and Drug Administration has begun a major revision of its guidelines for approving new antibiotics for animals and for monitoring the effects of old ones.

The goal of the revision is to minimize the emergence of bacterial strains that are resistant to antibiotics. Such resistance makes them difficult or even impossible to kill.

Drug-resistant infections, some fatal, have been increasing in people in the Umted States, and many scientists attribute the problem to the misuse of antibiotics in both humans and animals. Of particular concern to scientists is that recent studies have found bacteria in chickens that are resistant to fluoroquinolones, the most recently ap-proved class of antibiorics and me that

scientists had been hoping would remain effective for a long time.

A crucial component of the new guidelines will be the requirement that manufacturers test certain new livestock drugs for a tendency to foster the growth of resistant bacteria that could prove harmful to people. Testing will be required both before a drug is approved and after.

The types of antibiotics that would get special scrutiny are those that are also used by humans or are related to drugs used by humans. If the antibiotics are shown to foster bacterial resistance, they could be banned from use as growth promoters in animals. If scientists became aware of a problem with older

antibiotics, they too could be banned. The proposed guidelines have drawn criticism from both sides of a bitter debate that has been going on for three decades. At issue is the extensive use of antibiotics in livestock: Of the 50 million pounds (23 million kilograms) of

See FOOD, Page 8

Joe DiMaggio's classic, fluid swing in 1941, the year he hit safely in a record 56 straight games.

# AGENDA

# McVeigh Appeal **Rejected by Court**

The U.S. Supreme Court on Monday left intact Timothy Mc-Veigh's conviction and death sentence for the 1995 Oklahoma City bornhing that killed 168 people and wounded hundreds more — the worst such attack on U.S. soil.

The court, without comment, reected an appeal in which Mr. Mc-Veigh argued that his trial was tainted by jury misconduct and by news reports that he had confessed to his lawyers. Page 2.

# **Stanley Kubrick:** An Appreciation

The director Stanley Knbrick, who died Sunday at age 70, made movies from a perfectionist's perch that were at once mysterious, beautiful and dispiriting. Page 24.

# **Police Brutality in China**

# Murder of 4 Farmers Offers a Chance for Justice

By Elisabeth Rosenthal New York Times Service

ZHANLONG, China - Villagers here say they were not entirely surprised when on the night of Aug. 7, 1997, public security officers piled four farmers deemed troublemakers into a van, drove them to an isolated rice field in front of a copse of trees and riddled them

The bodies were quickly cremated, and the policemen probably assumed that the case was closed. After all, local residents say, police harassment and even summary executions have for years been an occasional fact of life in this rural town in the sontheastern province of Guangdong.

And villagers say they dare not com-plain, knowing that policemen receive praise from above, and at times even \$1,200 bonuses, for such swift

But China is changing, and in this case the cause of the four dead men did not disappear. Their relatives, all barely

literate farmers, waged a yearlong cam-

paign for redress.

A high-powered Beijing lawyer agreed to represent the families, without charge, in a lawsnit against the police. And a reporter from China's increasingly vigorous press helped expose a harrowing tale of police brutality that local officials had kept under wraps.

"As ordinary Chinese, we felt we had the legal right to have this case heard," said Zheng Canming, the younger brother of one of the dead men.

Later this month, seven police officers are due to stand trial on murder charges, in a case that casts a rare spotlight on widespread abuses by China's local police — as well as the fledgling

efforts to control them. Such abuses, from torture to "extrajudicial killings," have been attacked recently in human-rights reports and implicitly criticized by top Beijing of-

"This case shows a problem of law

See CHINA, Page 8

# Taipei's Grand Hotel Grapples With Faded Glory

By Thomas Crampton

AIPEI — Some patriots fly flags, others fight wars, but Stanley Yen, a Taiwan businessman, said his sacrifice for the nation is running a monumental hotel with colossal

'The Grand Hotel is a symbol of Taiwan's national pride and very closely linked to our history, but it was not designed for easy management and I don't think it has ever made a profit," Mr. Yen said. "It took more than three months of pressuring from many people — including the prime minister — for me to

be convinced that it was my duty to run this place."

The Grand Hotel, a gigantic replica of an ancient
Chinese palace perched on a hillside outside Taipei. is run by the not-for-profit Taiwan Friendship Foundation, an organization created to impress visiting heads of state into supporting the Chinese nationalists' claims to sovereignty over the Com-munists in the wake of their retreat from the mainland in 1949.

Under the guidance of the wife and niece of the nationalist leader Chiang Kai-shek, the foundation financed itself from a variety of sources, including a highly lucrative in-flight catering monopoly, and

By the early 1970s the organization's modest guest house expanded into a 12 floor version of a Ching dynasty palace, complete with a vast handhewn wooden roof structure covered by thousands of ceramic tiles. The interior boasts acres of redcarpeted ceremonial halls and grounds so vast that guests have been known to take a taxi to the

swimming pool.

The Chiang family kept close ties to the hotel.

Mrs. Chiang, who now lives in New York, came weekly to the hotel hairdresser and her niece, Kung Lin-yi, could often be seen in the lobby, smoking a

pipe and dressed in men's clothing.

The hotel's registry reads like a Who's Who of 20th-century statesmanship, with guests ranging from Presidents Dwight Eisenhower to Ronald Reagan of the United States and prominent Asians from Senior Minister Lee Kuan Yew of Singapore to Benigno Acquino, the former opposition leader of the Philippines, Hotel staff say one of the more memorable ar-

rivals was that of the senior U.S. diplomat, Warren Christopher, who came in 1978 to deliver the news that Washington would cut diplomatic ties to Taipei in favor of Beijing.

DISHEVELED and outraged Mr. Christopher, then a deputy secretary of state, pulled up to the 'otel in a deated and eggsplattered car after spending more than seven hours andging through crowds of protesters blocking his progress from an airport that sits just a few kilometers away. Mr. Christopher has never returned since, the hotel staff said. Recent years, however, have brought hard times

to the national icon. A proliferation of new hotels in central Tainei has drawn visitors to more convenient and modern

accommodations, while those staying at the Grand Hotel have complained of aged fixtures and a de-

"We still have five stars because this is the famous Grand Hotel, but some people said we really deserved just one," said James Lai, who has supervised the presidential suite for several decades. It made me very sad to hear people say that."

The government's protocol department quit patronizing the hotel soon after the prime minister go stuck in the elevator several times while trying to | high school education.



Stanley Yen, a prominent Taiwan businessman, is trying to breathe new life into an aged national monument, the fivestar Grand Hotel, which is struggling to survive in Taipei's crowded market.



attend state banquets on the top floor.

Then an accidental fire in 1995 burned off the entire roof. The water damage destroyed the Chinese-style presidential suite and seeped down

through three floors of guest rooms.

The number of guests dwindled severely, leading members of Parliament to joke that the hotel should be commandeered to replace the country's crowded l**e**gislature.

Also, as Taiwan's multiparty democracy gained vibrancy, opposition members of Parliament began to question the hotel's nonprofit status as well as the tight links to g farm and governing tight links to 🤭 Kuomintang party.

"This botel was largely built and supported by

expayer money so it should be given back to the government and then privatized, not held by some foundation," said Tsai Chen-hong, an aide to Chen Chi-mai, an opposition legislator who has been outspoken in calling for a change of the hotel's status. 'Chlang Kai-shek's family used this hotel like a personal dining room where they oever paid. Foundations should be set up to help on things like bandicapped people and hotels should be run by private companies. This is not a normal situ-

The political pressure and financial difficulties inspired the foundation to turn to Mr. Yen, a prominent husinessman who recently acquired national fame with a best-selling autohiography on his met-eoric five-year rise from American Express messenger boy to country manager, armed only

Mr. Yen, who now runs Taipei's five star Ritz-Landis botel and heads the Taiwan Visitor's Association, initially agreed to work part-time at the Grand Hotel for about a year to prepare it for eventual privatization.

One year into the job, however, his views have changed.'
"I now think the government should set up the

Grand Hotel to run as one of the world's most unique hotel and convention centers," Mr. Yen said, "The hotel's shortcomings mean it will never

make a profit or easily find private investors."

In addition to its badly laid out service sections, the hotel suffers for its cube form in the style of a Ching dynasty palace. The style gives outside rooms geoerous balconies, but the lack of an atrium means more than one third of the guest rooms actually have no window at all.

"We are trying to solve the window problem by shining bright lights on sanded strips of glass inside the rooms," Mr. Yeo said, "We have not yet decided whether the brightness of the lights will change according to the time of day: These rooms will be less expensive and we hope they will appeal to government delegations from less wealthy countries."

By most accounts Mr. Yen has so far managed to energize the hotel without alienating the unionized staff. Occupancy has risen to nearly 70 percent and old customers, incloding the government, have begua patronizing the hotel once more.

Mr. Yen, however, remains cautions on the props future: "Politely national treasure and not a hotel."

# Supreme Court Rejects McVeigh Trial Appeal

Conviction in Oklahoma Bombing Left Intact

The Associated Press

WASHINGTON — The Supreme Court on Monday left intact Timothy McVeigh's conviction and death sentence for the 1995 Oklahoma City bombing that killed 168 people and wounded hundreds more — the worst such attack on U.S. soil.

The court, without comment, rejected an appeal in which Mr. McVeigh argued that his trial was tainted by jury misconduct and news reports that he had confessed to his lawyers.

Mr. McVeigh was convicted of firstdegree murder, conspiracy and weapons-related charges in the April 19, 1995, bombing of the Alfred P. Murrah Federal Building. A three-judge federal appeals court panel upheld his 11 convictions and death sentence last September in the deaths of federal employees. Mr. McVeigh still can pursue a new

round of appeals challenging the con-stitutionality of his prosecution.

The ruling by the 10th U.S. Circuit Court of Appeals sends a message that "the rules of law may be applied on a sliding scale when the crime is unspeak-able and public outrage is great," Mr. McVeigh's Supreme Court appeal con-

At Mr. McVeigh's 1997 trial, pros-ecutors said he and his co-defendant, Terry Nichols, carried out the bombing in revenge for the April 19, 1993, deaths of about 80 people in a siege at the Branch Davidian compound near Waco, Texas. Prosecutors said that Mr. McVeigh

now 30, chose the Oklahoma City building because he believed people responsible for the Waco siege worked there and because the building was an easy

target.
Mr. Nichols was convicted of conspiracy in a separate trial and sentenced to life in prison.

Mr. McVeigh's appeal said pretrial news reports that he had confessed to his lawyers created an "extraordinary" threat to his fair-trial rights. Four jurors indicated in pretrial questioning that they had seen the reports. No such procedure should send Mr.

McVeigh to his death," his appeal said, adding that the judge's manner of instructing and questioning prospective jurors made it impossible to determine whether they were biased.

Mr. McVeigh's jury-misconduct allegation centered on a comment by one juror to others during the trial. An alternate juror told a court official that jurors had discussed which of them

would decide the case and which would serve as alternates, and that one juror said: "It wouldn't be very hard. I think we all know what the verdict should be." Mr. McVeigh's appeal said the trial

mage should have questioned the juror. or held a hearing on whether the juror

Justice Department lawyers said the bombing "caused extraordinary harm" and that courts took "extraordinary 'to ensure Mr. Mc ver incloding moving the trial to Denver. In other cases on Monday, the court

took these steps:

• It rejected the appeal of a Missouri high school teacher who was dismissed for letting her students use large amounts, of profamity in class while performing

self-written plays.

• It turned away Mariena Ramalio o It turned away Mariena Ramalio Cooke's appeal in her effort to avoid being deported over a 1986 guilty plea to a drug conspiracy charge. She is the widow of the late Jack Kent Cooke, who owned the Washington Redskins prefessional football team.

old refused to shed new light on the

validity of government efforts to speed up the deportations of aliens convicted of committing crimes in the United States. It denied review to one case and told a lower court to restudy another.

### Court Permits Suit Alleging Stone Film Led to Crime Spree

WASHINGTON — The Supreme Court on Monday allowed a U.S. shooting victim's family to sue the filmmaker Oliver Stone and others over allegations that their fic-tional movie "Natural Born Killers" inspired a real-life crime spree."

The 1994 movie, directed by Mr. Stone and starring Woody Hanel-son and Juliette Lewis, portrayed a young couple who killed numerons, people and committed robberies

during a three-week period.

The justices let stand without any comment or dissent a Louisiana ap peals court ruling that the film which graphically depicted vio-lence and crime, was not protected by constitutional free-speech grant antees because it allegedly include "Imminent lawless activity."

The lawsuit sought damages against the directors, produces and distributors of the film. It was the ou behalf of Patsy Ann Byers, what was shot and paralyzed on March 8. 1995, during a robbery at her convenience store in Ponchatous

The lawsuit alleged that Sarah Edmondson, the daughter of an Oklahoma judge and the niece of Oklahoma's attorney general, and her accomplice, Benjamin Darras, had repeatedly watched a videotape of the movie and then had begun-

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their crime spree.

Theodore Olson, an attorney for the trong wood defendants, said the state court decision cleated in dangerously low threshold for damage suits against artists for the criminal conduct of alleged imitators" and represented a "drastic departure" from settled First Amendment law, sor particularly violent depictions.

# Nigeria's New President Faces a Balancing Act

By James Rupert Washington Post Service

LAGOS -- Now that Africa's most populous nation has elected Olusegun Obasanjo as its first civilian

Some military officers who fear an Obasanjo presidency overall result. pose a continued risk of a conp attempt, the analysts said. The country's military ruler, General Abdulsalami Abubakar, is expected in the next few weeks to force the retirements of officers who were close to his predecessor, General Sani Abacha. The death in June in General Abacha brought an unexpec-

the liaw ethnic group that to prominent Yoruba leaders have attacked oil fields there and by underscoring his read-

visit us in Hall 9a at Stand 20

gerians say could lead to

broad civil upheaval. And tensions continue among ethnic Yorubas, who president in 15 years, the two say their favored presidential and a half months remaining candidate, Olu Falae, was before the armed forces are to cheated in the Feb. 27 elechand power to him will be a tion. Most election monitors delicate interregnum, Nigeri- and Nigerian commentators an and foreign analysts say. say the fraud, while heavy, was not enough to swing the

> In and around Lagos, a Falae stronghold, young Yoruba militants have attacked police stations since Monday, firebombing them and seizing weapons. Between 11 and 20 people have been reported killed in the clashes, which have been condemned by Yoruba political leaders.

Mr. Obasanjo is a Yoruba ted end to his five-year dic- but is widely disliked by his ethnic group. He and his aides In the Niger River Delta, are looking for ways to calm troops are cracking down Yoruba opposition, notably against youthful militias of by offering government posts

armed civilians, deepening the oorthern, Hausa-speaking the tensions that many Nielites — principally retired military officers and businessmeo - who were the pillars of his presidential cam-

> Another conciliatory step was the military govern-ment's release of political prisoners jailed by General Abacha's government after secret trials for supposedly plotting coups in 1995 and

General Abubakar had freed some of those convicted in the trials, including Mr. Obasanjo, soon after he succeeded General Abacha in power. The rest were kept jailed in what Nigerian analysts said was effectively a concession to the continued strength of the Abacha-allied

officers who put them there. The military's ruling counwhich inclodes several old General Abacha allies, announced the releases after a 10-hour meeting that ended about 4 A.M. Thursday. General Abnbakar's

as an effort "to put our past behind us and pursue true reconciliation.'

The most prominent of those freed Thursday were Yorubas, including General Abacha's former deputy lead-er, Lieutenant General Oladipo Diya, and the editor of the Diet newspaper, Niran Malolu.

The prisoner releases appeared to be the latest sign that, within the closed politics of the officer corps that has run this country for 29 of its 3g years of independence, the former General Abacha loyalists are losing ground.

The transition appears to be gaining momentum after an election "that seems to have yielded a tolerable result," said Peter Lewis, a Nigeria scholar at American University in Washington who observed the voting. Still, Nigerian and foreign

analysts said the most sensitive, and obscure, hattle before the inauguration of Mr. Obasanjo's civilian government on May 29 will be over the retirement of officers as "the Abacha

boys."
While General Abubakar has shuffled some officers and taken precautions against a coup attempt, men appointed by General Abacha still appear to dominate the army's field commands, the weekly Tempo said.

Numerous Nigerian politicians and commentators have called on Mr. Falae to drop his challenge to Mr. Obasanjo's victory, saying it could be a pretext for a coup attempt. "Politicians must not give the military any reason not to hand over power come May 29," a Lagos newspaper said in an editorial Thursday.

In an apparent effort to ease the impact of the retirements, General Abubakar approved a round of promotions for senior officers at the end of last

and often have attacked uniness to act independently of deputy, Vice Admiral Mike sources said that was accomarmed civilians, deepening the oorthern, Hausa-speaking Akhigbe, described the move panied by cash bonuses reportedly paid out of the billions of dollars in gains re-General Abacha's aides since his

> Many Nigerians --- ootably Yorubas, who in particular have opposed the long years of rule by the northern military and political elites have called for criminal prosecutions of active and retired officers for corruption under General Abacha and the preceding regime of General Ibrahim Babangida.

> Mr. Obasanjo has given mixed signals, promising an independent body to investigate corruption, but also saying be would permit no 'witch-hunt' against the

# TRAVEL UPDATE

### Finnish Air Traffic Controllers End 5-Week Strike

HELSINKI (AP) - The government and air traffic controllers agreed on a new contract Monday, ending a crippling strike that disrupted flights for the past five weeks.

Flights were expected to return to oormal in Finland by early next week, aviation officials said. During the strike, most domestic and about one in every five international flights were

The dispute was largely over pay. The approximately 250 air traffic controllers demanded raises of more than 20 percent. Management initially said it would not raise wages by more

On Monday, the Air Traffic Controllers Union and the Civil Aviation Authority reached four-year wage agreement, with pay increases of 13 percent during the first three years, said the government arbitrator, Juhani Salonius.

During the strike, 20 senior air traffic controllers handled most of the traffic at the Helsinki airport. Many flights from abroad were rescheduled to other cities.

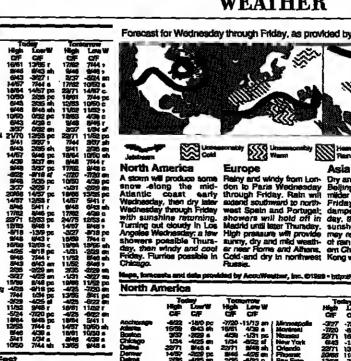
# Southwest Air Begins Expansion of Service

DALLAS (Bloomberg) - Sonthwest Airlines Co., the largest U.S. low-fare carrier, saidjit would add service to Raleigh-Durham International Airport in North Carolina in June as part of its plan to expand service on the East Coast.

The move pits Southwest against Midway Airlines Corp., the No. 1 carrier at the airport Raleigh-Durham, which served 7.2 million passengers in 1998 with 500 daily flights.

Southwest also plans to begin offering 12 daily nonstop flights from a regional airport of Long Island, its first foray into the lucrative New York City area.

### WEATHER



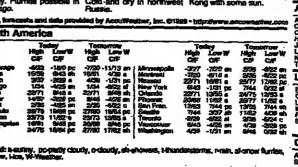
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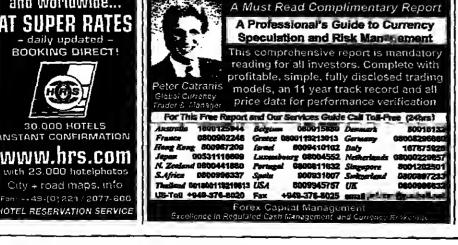
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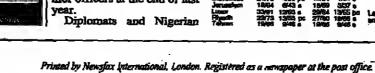
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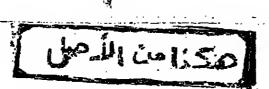


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# THE AMERICAS

# Bush's Bandwagon Gets Rolling but Has Miles to Go

By David S. Broder Washington Post Service

to deliver him the nomination.

for that prize dictate that the ideological preferences of grassroots activists, the finances and tactics of nearly a dozen rivals, and the skill Mr. Bush demonstrates as a rookie in the high-stakes game of national politics will determine his chances, according to Republican officials interviewed the past few days.

Rean officials interviewed the past few days.

The former chairman of the Republican i National Committee, Haley Barbour, who is a leader of Mr. Bush's exploratory committee, ticked off a variety of factors that have impelled half the Republican governors and hundreds of other officeholders to pledge their support to Mr. Bush even before he officially tosses his bat into the rine. But Mr. Rathour tosses his bat into the rine. But Mr. Rathour tosses his bat into the rine. But Mr. Rathour tosses his bat into the rine. But Mr. Rathour tosses his bat into the rine. But Mr. Rathour tosses his bat into the rine. But Mr. Rathour tosses his bat into the rine. But Mr. Rathour tosses his bat into the rine. But Mr. Rathour tosses his bat into the rine. added: "We will still have a hotly contested competition for the nomination. It will be over early, but that will be because of the primary calendar, not because of Bush."

Charles Black, a veteran of many presidential campaigns and a Bush supporter, agreed. The endorsements will help on both

second term in November, Mr. Bush has been WASHINGTON — When Governor playing host to delegations of state officials the high expectations surrounding Mr. Bush George Bush of Texas announced the formation of his presidential exploratory committee, he was able to count on the fact that
already be had signed up more endorsements

and the presidential exploratory comknow personally. And when the nation's govone of the est
to recover.

Black said afrom elected and party officials than anyone more told him they would join his backers in the Republican field.

He cannot, however, count on those people But whatever bandwagon psychology the

Bush strategists hoped to build was deflated The dynamics of a short, intense struggle Thursday when Elizabeth Dole's aides said she would follow Mr. Bush into the explor-

atory committee phase of a presidential candidacy two ANALYSIS

days from now. Polls show her matching or exceeding popularity with Republican voters, and both of them lead Vice President Al Gore in trial heats.

tosses his hat into the ring. But Mr. Barbour array of endorsements Mr. Bush has picked up, perhaps with some backstage orchestration but without visible effort on his part. The groundswell of support for the former

president's eldest son might become a problem for some contenders in the 11 months unfil the Iowa cancuses and the New Hamp-Agreed. The endorsements will help on both shire primary kick off an abbreviated calendar parallel universe of support." shire depend more on the precinct effect organization and fund-raising, he said, "but of contests. With more and more states rush-But Kyle McSlarrow, Mr. Quayle's camfellow-believers than on the business of support." shire depend more on the precinct effect organization and fund-raising, he said, "but of contests. With more and more states rush-But Kyle McSlarrow, Mr. Quayle's camfellow-believers than on the business organization and fund-raising, he said, "but of contests. With more and more states rush-But Kyle McSlarrow, Mr. Quayle's camfellow-believers than on the business organization and fund-raising, he said, "but of contests. With more and more states rush-But Kyle McSlarrow, Mr. Quayle's camfellow-believers than on the business organization and fund-raising, he said, "but of contests. With more and more states rush-But Kyle McSlarrow, Mr. Quayle's camfellow-believers than on the business organization and fund-raising, he said, "but of contests. With more and more states rush-But Kyle McSlarrow, Mr. Quayle's camfellow-believers than on the business organization and fund-raising, he said, "but of contests."

present a problem. If he stumbles or is upset in for our staff and recruiting the grassroots one of the early battles, he will have little time to recover. "And everyone stumbles," Mr.

Still, the endorsements provide a cushion of support. 'Primary voters are a relatively small universe," said Eddie Mahe, a veteran consultant unaffiliated with any presidential candidate. "If they know their governor and their legislators are saying George Bush is our best chance, it reduces the probability they will get involved actively or make contributions to other candidates. The collective result is to make it much more difficult for those other candidates to get traction."

"There are 11 other people running," said another consultant from past presidential campaigns, "and there is a limited supply of money. I think a lot of these candidates will have a hard time surviving until Thanksgiving.

As yet there is no discernible tendency among other candidates to toss in the towel. Take former Vice President Dan Quayle, for example. Bernadette Budde, the director of BIPAC, a business political action committee, said, "I would think Quayle would be most affected by the rush to Bush. He would have had the best access to the people who supported him and President Bush in their campaigns. Now he has to go out and build a

the voters. He's going to have to earn it."

leaders expect the identity of their nominee to
Ever since his landslide re-election to a be settled by the end of March.

that the Republican establishment folks all got the same message. But the reality for us is that the same message. But the reality for us is that everything we wanted to achieve, we're achieving. We're hiring the people we wanted activists we've gone after."

Or take former Governor Lamar Alexander of Tennessee. His second White House effort is judged by many competitors to be perhaps the most vulnerable to the Bush phenomenon because both of them are bidding for mainstream conservatives and moderate Repub-

licans and relying on large donors.

But Steve Schmidt, Mr. Alexander's spokesman, said: "Their strategy is to suck all the air out of the room early on, but it's not working." He added, "We are extremely well organized in Iowa and New Hampshire, where Bush has no organizational presence today. We will see if the product lives up to the hype."

Democrats hold the governorships of those two states, whose February contests typically winnow the contenders down to two or three. The last Republican governor of Iowa, Terry Branstad, is supporting Mr. Alexander. The governor who helped President George Bush turn back Bob Dole in New Hampshire in 1988, John Sununu, is with Mr. Quayle.

Whether Mr. Bush can squeeze potential rivals out of the race is unclear. The millionaire publisher Steve Forbes can finance his own campaign. Social-issue conservatives like Patrick Buchanan, Gary Bauer, Alan Keyes and Senator Bob Smith of New Hampshire depend more on the precinct efforts of But Kyle McSlarrow, Mr. Quayle's cam- fellow-believers than on the business and

# **Bush Puts Big Guns** Of Party on Display

By Richard L. Berke New York Times Service

AUSTIN, Texas — In a grand pageant of political might, Governor George Bush has rolled out the 10 members of his presidential exploratory committee, an ethnically and ideologically diverse tableau of some of the Republican Party's biggest names and most promising stars

ising stars.

The carefully choreographed juggernant Sunday was intended to convey a sense of inevitability about Mr. Bush's presidential quest, a move that could help him

lock up crucial financial and political support.

The assemblage, which Mr. Bush introduced as "the best of the Republican Party," included George Shultz, secretary of state under President Ronald Reagan; Rep. resentative Henry Bonilla of Texas, the first Mexican-American Republican elected to the House; Condoleeza Rice, the provost of Stanford University, who was a national security official for President George Bush; Representative J.C. Watts Jr. of Oklahoma, a conservarive who is the only black Republican in Congress, and Representative Jennifer Dunn of Washington, who, unlike Governor Bush, supports abortion rights.

For added heft, Mr. Bush's advisers distributed a list of elected officials backing the governor, including 72 House members and six senators.

Questioned by reporters about issues ranging from taxation to what he would do in Kosovo, Mr. Bush offered the same answer: that he would not articulate his positions until be formally declared his candidacy, which would be in June, after the state legislature adjourned.

# Power Shift Gives Senate Republicans a Certain Cachet

By Alison Mitchell New York Times Service

WASHINGTON — After four years in which House Republicans dominated Congress, bringing their party its legislative energy as well as its public relations disasters and the impeachment drive, power has shifted on Capitol Hill. In the 106th Congress, Trent Lott and his Senate majority have become the ascendant Republican presence.

The signs of change are everywhere. When the congressional leadership met with President Bill Clinton recently, the new speaker, J. Dennis Hastert, said little - Mr. Lott talked

far more, participants in the meeting said.
Outside on the White House driveway, the pair fell into the same pattern in front of reporters. Mr. Lott, more polished and more practiced, even jumped in and answered ques-tions directed to the speaker.

During the first congressional recess after the Senate impeachment trial, there was Mr. Lott at a high-profile town meeting in Detroit

packages that they had prepared for their own members, instructing them on the issues to govern under such difficult circumstances and hutchinson, an Arkansas Republican who highlight and explaining how to talk about how to hold his once rancous, now shaken formerly served in the House.

And last week it was the Senate that pre-

Republicans attribute the shift, in part, to Mr. Lott's skillful handling of the Senate impeachment trial, which senators from both parties say increased his stature. At the same time, the House Republicans have been weakened by the November elections and the self-immolation of Newt Gingrich, and then gian's polar opposite. Robert Livingston, the first person selected to succeed him.

With the House Republican majority down to only six members (five, with the retirement of Mr. Livingston), Mr. Hastert's deputies concede they barely have control over the House, let alone the leeway to lead in crafting Trent Lott of Mississippi, the Senate majority leader and unofficial spokesman for Republican Party, being interviewed at a television studio in Washington.

Trent Lott of Mississippi, the Senate majority leader and unofficial spokesman for Republican Party, being interviewed at a television studio in Washington.

The Mississippi of the Senate majority leader and unofficial spokesman for Republican Party, being interviewed at a television studio in Washington.

The Mississippi of the Senate majority leader and unofficial spokesman for Republican Party, being interviewed at a television studio in Washington.

flock together. For now, he is trying to rein in the impulsive vailed in budget talks among Republican leaders. The group agreed to a budget framework that embraced the Senate Republican position on Social Security and strategy to counter the Democratic assault on the potent retirement tax cut, in order to give the House and Senate more flexibility in deciding which proposal they will ultimately back.

And where once Mr. Gingrich was such an overpowering presence that no other leader could emerge, Mr. Hastert, a former high school teacher, is the rambunctious Geor-

He is most comfortable outside the limelight and wants to avoid any showy missteps, his advisers and colleagues say. His public appearances tend to be risk-free. Last week, he read to school children from Dr. Seuss, welcomed the Boy Scouts to the Capitol and talked about making "the future better for all of our nation's children" in the weekly Republican radio address.

"I think his style is more low-profile and polls.

"I think that the natural flow of things places Trent in more of a spokesman's role than Denny even desires to have," Mr. Hutchinson said. "It's not what Denny wants for himself, and he doesn't see this as a primary goal, and that moves the center of gravity to Trent Lott. And until we have a presidential nominee come to the fore, Trent will be the primary spokesman for the party.

The dynamics could change once again, as Mr. Hastert gains experience. House Republicans are hoping he will turn out to be a more effective leader than Mr.

Gingrich, who was a font of ideas but also of controversy.

But for now, congressional Republicans have an enormous amount riding on how well their senators and Mr. Lott, an order-obsessed Mississippi conservative with a pragmatic streak, can lead them.

House Republicans have lost seats for two elections in a row and the impeachment proceedings left the party at new lows in opinion

# POLITICAL

### Ex-Clinton Insider Releases Tell-All Book

WASHINGTON — President Bill Clinton is a man of vast "seductive powers" who uses his "personal magnetism" to charm the people he needs, but he is prone to sudden; behind-the-scenes tantrums that descend on aides like "an impersonal physical force, like a tornado," his former senior adviser, George Stephanopoulos, recalls in his book "All Too Human," which is excepted in the new issue of Newsweck magazine.

We Stephanopoulos of the Cintons' business dealings in Arkansas.

Mrs. McDougal already has served 18 months on a civil contempt citation, and the new trial stems from a three-count indictment alleging criminal contempt and obstruction of justice for refusing to answer truestions about the Clintons from the impersons about the Clintons from the impersons about the Clintons' business dealings in Arkansas.

Hillary Rodham Clinton, Mr. Stephanopoulos writes, is a valnerable woman who can at times be tender with her husband and his closest aides, but who felt angry and abandoned when scrutiny turned on her in the Whitewater affair. In January 1994, tears in her eyes, she unleashed her wrath on Mr. Stephanopoulos at a White House staff meeting: "You never believed in us," she snapped, recalling the 1992 New Hampshire primary. "We were out there alone, and I'm feeling very lonely right now. Nobody is fighting for me."

Cause she believes Mr. Starr would twist her words to sait his purposes and may charge her with perjury if he doesn't get the testimony he wants.

(AP)

Outste / I'manute

# McDougal Trial Begins

24 Shade of blond

horse?

25 "No" vote from a

genre, for short

"I think it will be an all-out fight, and I think it has become a personal vendetta,"
Mrs. McDougal said. "It's become more

than political. I'm scared this morning." Mrs. McDougal made her comments as she arrived at the federal courthouse for jury selection in a trial that could send her back to prison. She has insisted she has no information on the Clintons' business deal-

questions about the Clintons from the independent counsel Kenneth Starr.

W. Hickman Ewing Jr., deputy White-water prosecutor, said Mrs. McDougal's trial is simply about ber failure to follow a judge's direct order. Mrs. McDougal has said she refused to answer questions be-cause she believes Mr. Starr would twist her

# Quote /Unquote

Richard Goodwin, a former aide to Presidents John Kennedy and Lyndon Johnson, LITTLE ROCK, Arkansas — Susan McDougal implored Arkansans on Monday to follow her trial on contempt and obstruction of justice charges, saying it would expose the ugly nature of the Whitewater inquiry.

### **Away From Politics**

high wind created near-blizzard conditions across the middle of the United States on Monday, closing dozens of schools and slowing highway travel to a crawl. The southern edge of the stoom pro-duced lines of strong thunderstorms, with a possibility of tornadoes in Texas, Arkansas and Louisiana.

 The Sherman Oaks Gal-Ieria in Los Angeles, nationally recognized cradle of the Valley Girl, is going out of business. The Galleria was immortalized in the 1980s teen flicks "Valley Girl" and "Fast Times at Ridgemont High." But it is now nearly deserted, a victim of the 1994 earthquake in Northridge, which forced it to close for repairs, and failure to keep up with the times.

 Almost half the "carjackings" in the United States fail and the overwhelming majority of victims escape injury, the Justice Department says.
Only 24,520 — 50.3 percent
— of all attempts each year succeed, the Bureau of Justice

### ADIC

### International Union for Jewish-Islamic-Christian Dialogue and Peace Education

Presidents: Dr. Aly Elsamman and Mr. Stélio Farandjis Honorary president: Cardinal Dr. Franz König, member of the Sacred College at the Vatican Honorary members: Dr. Boutros Boutros-Ghali and Archduke Otto von Habsbourg

### Today, the Muslim-Christian Summit

On May 28, 1998, the ADIC beloed conclude the signing of an HISTORICAL AGREEMENT between the VATICAN AND AL-AZHAR (the highest institution of Sunni Islam) and specifically between the Pontifical Council for Interreligious Dialogue (Vatican City) and the Permanent Committee of al-Azhar for Dialogue with Monotheistic Religions (Cairo), FOR THE CREATION OF A JOINT COMMITTEE FOR DIALOGUE. Notably, the agreement stipulates that both parties will (art. 2).

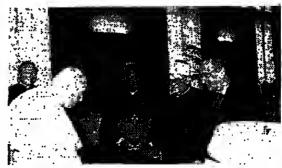
"see that the religions play their rightful role... TO FIGHT TOGETHER AGAINST RELIGIOUS FANATICISM, VIOLENCE AND TERRORISM." and also mentions (art. 4):

"the role of the Sorbonne Conference in June, 1994, organized by ADIC, which underlined, the necessity of PRESENTING TO CHRISTIANS THE TRUE FACE OF ISLAM AND OF PRESENTING TO MUSLIMS THE TRUE FACE OF CHRISTIANITY."

Declarations made during the andience with the POPE JOHN PAUL II the day after the signature : HIS Holiness declared, "THE DIALOGUE BETWEEN OUR TWO RELIGIONS IS MORE IMPORTANT

Cardinal Arinze, president of the Pontifical Council for Interreligious Dialogue, underlined that "THIS AGREEMENT CONCERNS TWO COMMUNITIES THAT CONSTITUTE MORE THAN HALF OF HUMANITY."

Cheikh Fawzy Al Zefzaf, wakil of al-Azhar, president of the Permanent Committee of al-Azhar for Dialogue with Monotheistic Religions, specified, "ISLAM IS A RELIGION THAT DOES NOT ACCEPT FANATICISM AND REJECTS VIOLENCE, EXTREMISM, TERRORISM AND CALLS FOR PEACE AND LOVE FOR



His Holiness, Pope Jean Paul II receives and congratulates the signatories of the agreement; Father Michael Fitzgerald, Secretary General of the Pontifical Council for Interreligious Dialogue; Cardinal Francis Arinze; Cheikh Fawzi al-Zefzaf; and Dr. Aly Elsamman, vice-president of the Permanent Committee of Al-Azhar for Dialogue with Monotheistic Religions.



Dr. Aly Elsamman, signatory of the agreement, declared before His Holiness, the Pope John Paul II, "We remain loyal to the spirit of Assisi."

# Tomorrow, the Dialogue and the Youth

On December 15, 1998, ADIC organized a conference around the theme: "WE, YOUNG PEOPLE, FACING A MULTIRELIGIOUS SOCIETY." Here is a message in our final declaration for young people of every religion: "YOU, WHO ACKNOLEDGE THE INHERITANCE OF ABRAHAM, UNITE!".

The ADIC urges young people of the three religions to get organized for a GATHERING BEFORE THE YEAR 2000 at the highly symbolic place of THE MOUNT SINAL, TO RE-AWAKEN THEIR ENTHUSIASM Please send us your ideas and suggestions:

ADIC -- 11, rue de Berri - 75008 - Paris - Tel.: 01 45 61 23 18

# **CROSSWORD**

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New York Times/Edited by Will Shortz.

By Don Kirk

SEOUL — William Perry, the American policy coordinator on North Korea, meets here Tuesday with South Korean officials in an attempt to coordinate sometimes divergent views no how to deal with the North.

Mr. Perry, arriving Monday night on a mission that is taking him to the major Asian capitals most concerned about North Korea, is expected to give priority to countering a widespread impression in South Korea that he is not enthusiastic about President Kim Dae Jung's "sunshine policy" toward the North.

Mr. Perry, on arrival Monday night, sought to dispel growing South Korean fears that he will insist on a hard line by saying that he had made no "final recommendations" and viewed Mr. Kim's Mr. Kim in the afternoon. "engagement policy" as a "very im-portant factor on which to build."

He qualified that remark, however, by observing that "North Korea has created

real problems and serious problems with their nuclear and missite programs." Perry clearly hopes. South Korean officials acknowledged their nuclear and missile programs."
Still, he said, the United States and South Korea "must stand together" while seeking "possibilities of engagement in

Mr. Perry emphasized the need for cooperation with Mr. Kim as he began the third stop of a mission that took him to Beijing on the weekend and Taipei on Sunday, After seeing Mr. Kim oo Tues-day, he flies on to Tokyo, the last stop of an effort at discerning the views of Asian leaders on North Korea and attempting to come up with an overall approach that is acceptable to all of them.

Mr. Perry begins his talks here at breakfast on Tuesday with South Korea's foreign minister, Hong Soon Young, and the national security adviser, Lim Dong Won, before meeting

Observers noted distinctions among the ontlonks of the United States, South Korea, China and Japan that might make the construction of nuclear power it difficult for them to act closely as Mr.

differences in emphasis" between Washingtoo and Seoul on Pyongyang

but thought Beijing could play a pivotal role in bringing all sides together.

"China is very much in line with the views of South Korea," said a former senior Sooth Korean diplomat. "China thinks it's dangerous to provoke North Korea because you don't know what North Korea will do."

Chinese officials were believed to have made that view clear to Mr. Perry before he left Beijing on Sunday for

U.S. officials are counting on China, as North Korea's neighbor and virtually its only ally, to encourage the North to refrain from a belligerent policy that might jeopardize the 1994 Geneva framework agreement under which the North agreed to stop the development of ouclear warheads in exchange for help in

South Korean officials believe flew over Japan before landing in the Chinese support is vital in persuading sea. Adding to Japanese concerns is that the North to open an underground site at South Korean officials no longer seem the North to open an underground site at Kumchang Ri for inspection to allay fears that it barbors a facility for building nuclear weapons. The United States has

insisted on multiple inspections.
Officials in Seoul believe Mr. Perry now wants South Korean leaders to define just how far they want to pursue reconciliation with the North.

"The Americans are concerned because there is no red line," said a South an epilogue to the book, called "Pre-Korean diplomat. "They want to know, ventive Defense," that "it might not be 'What's the limit of your patience and what will it take to prove that the sunshine policy doesn't work?""

Mr. Perry, when he goes to Japan, faces a somewhat different problem: how to convince the Japanese that North Korea's nuclear ambitions present a more serious danger than that of North Korean missiles.

Japanese officials remain incensed by North Korea's test-firing on Aug. 31 of a three-stage Taepo Dong-1 missile that

upset by the missile-firing while en-couraging trade with the North and au-

thorizing tourist trips to the North.

Mr. Perry himself has added to concerns here by a book that he co-authored with his top aide, Ashton Carter, that appears to dispute Korea's basic

Mr. Perry and Mr. Carter conclude in safe to follow Kim Dae Jung's advice and wait for change to come to North Korea." They argue that North Korea's program 'would rob us of the time needed for Kim Dae Jung's engagement policy to work.

Foreign diplomats pointed out that the authors had written the book before Mr. Perry's current information-gathering mission. He is expected to make a policy recommendation around the end of the

Q & A / President Kim Dae Jung

# Seoul Studies North's Reaction

Though beset by economic strains in is very limited, they are now introducing his own country, Kim Dae Jung has also the free market system and concept. pursued a "sunshine policy" of engagement and tourism with the economically bereft and self-isolating North in his first year as president. Mr. Kim discussed the North Korean response with Bernard Krisher, publisher of The Cambodia Daily, in an interview for the International Herald Tribure.

O: Can you assess, so far, the success of your sunshine policy toward North Korea? Have you seen any positive results yet?

A: As you know, we have the Kumgang mountain project under way and they have also asked us to engage in government-level dialogue which we are preparing for now so it can be implemented in the latter part of this year. They had been rejecting these government-level talks, but now are proposing them, so this is a big change. Furthermore, the armistice talks between North and South Korea, which had been suspended for seven years, were resumed under the name of "general talks" or "general meetings" last year, fulfilling the function of the previous talks.

While this might not be the direct result of the sunshine policy, however, now the four-party talks are going on, and there are also bilateral talks between North Korea and the United States about the missile and nuclear issues.

They have also amended some portion of their constitution. Even though it

the free market system and concept.

I believe those are all positive

Q: I understand they have also re-cently permitted their citizens to move

more freely within the country.

A: Yes and they are also allowing the [private] possession and commerce of agricultural products. Furthermore, 110 people recently went oversess, under the auspices of the UN Development Program, to learn about the free market system.

Q: If you were to meet Kim Jong IL, the North Korean leader, what would you discuss and propose to him?

A: Realize complete remification isn't possible imminently so we should put that issue aside. I would tell him we must have more consultations and cooperation so that we can have peace and exchanges, so that we can help each other. That is all in the spirit of the North-South agreement of December 1971. I will basically say that we have to have peace, exchanges, and cooperation. Also, we have to have a very strong willingness and commitment that we will

not go to war and have related policies.

Q: If North and South Korea were to be unified some day, do you fear there might be a mass exodus from the North because the economy is much stronger here?

A: It's impossible to achieve reunification in the foreseeable future, so it isn't proper to discuss this kind of hy-pothetical situation. It might also cause maintaining peace, holding exchanges, and cooperation.

Q: Is there then still a potential milsame fear and to the same degree?

A: It is very difficult to predict the probability of war but the threat exists. That's why we must always remain in a

state of readiness. Q: Could there be some miscalculation in the year 2000 when all the computers could go berserk? Might the

North Koreans, through a computer problem, accidentally set off something with all the firepower there? A: We are all anxious we might ex-

perience such type of incidents in the year 2000. That's why we must all be ready and they have to be very keen about this issue, as well. They also must find ways to prepare to fix this problem. Should some kind of conflict occur we should establish a system where we can confirm whether it is a provocation or an accident.

On my recent visit to China I told

### BRIEFLY

### Leaders of Burma And Thailand Meet

BANGKOK — The burgeoning trade in illegal narcotics was the main subject of discussion Monday as the leader of Burma's military government began a two-day state visit to Thailand by meeting with Prime Minister Chuan Leekpai

General Than Shwe, who heads a junta that has been widely accused of suppressing human rights and refusing to turn over power to a democratically elected government, arrived in Chiang Rai, 680 kilometers (420 miles) north of Bangkok accompanied by his intelligence chief, General Khin Ny-unt, and a delegation of military

They met there with Mr. Chuan. who sought more vigorous cooper-ation from General Than Shwe to stem the flow of drugs from Burma, and they agreed to step up cooperative efforts to suppress drug-trafficking, a spokesman for the Thai government said. (AP)

### 2 in Police Custody Killed in Pakistan

KARACHI, Pakistan - Two members of a Pakistani opposition party held in police costody were shot to death by unknown guimen in Karachi on Monday, the police said. But the Muntehida Qaumi Move-

ment, to which the two men belonged, said the men were killed by police themselves in what it called a

'case of extra-judicial executions."

A police official said the two were killed when gunmen opened fire on the police who were taking them to a indeout in central Karachi to search for weapons and suspected criminals.

### Famine in Vietnam

HANOI --- Nearly a million and a half people are suffering hunger in central and northern Vietnam after crops failed because of prolonged drought and flooding last year, state media reported.

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The official Vietnam News Agency said the government social welfare agency had asked for emergency aid worth 11.5 billion dong (\$828,000).

Premier Zhu Rongji that people are saying the Korean Peninsula is the area in the world which is the most vulnerable to some misunderstanding. At present I have a conflict. Yet if we have the will feel the issues they are interested in are we can very easily resolve this issue. My administration has a very clear policy toward North Korea: While we will not, of course, tolerate any military provocaitary threat from the North? Americans tion, we have no willingness to harm and the Japanese seem concerned a war them nor reunify by absorption. It is 100 also supported by the United States and Japan. As we are determined not to resolve any issue through war or military power, and if North Korea has the same commiment, while the four major countries around the Korean Peninsula can also guarantee they will not intervene, then we won't have any war ever in the Korean Peninsula.

> Q: The North Koreans have maintained that most of the differences with South Korea could be settled if U.S. troops were removed. Under what conditions would you be willing to remove the U.S. troops?

> A: As you know very well in 1949 the American troops did leave South Korea and only a year later, in 1950, we had the war. So the precondition has to be that we have to have a solid guarantee of not having any kind of invasion

# At Least 4 Die In New Fights On Ambon

The Associated Press

3.4 JAKARTA - At least four people " were killed and 11 injured in new clashes Mooday on the eastern Indonesian island of Ambon, officials and witnesses

A mob of Christians attacked and burned a truck with 28 people aboard, killing two and injuring four, in the town of Paso on the eastern side of the island, said an official at a local mosque.

And in Air Salobar, a western neigh-: borhood of Ambon city, clashes between Christian and Muslim gangs resulted in at least two deaths, and seveo were wounded, witnesses said.

They did not specify the religion of .. the victims. Eight houses, a car and a motorcycle

- were burned, and two bomemade bombs ... went off, witnesses said. ... Police in Ambon, the capital of

- Maluku Province, confirmed the vio-

Lilence but declined to give further de-" More than 180 people have been killed in fighting among rival Muslim and Christian mobs since religious violence erupted in January in Maluku Province, known in Dutch colonial times

vias the Spice Islands. ... Indooesia has grappled with various riots and political protests over the past months, fueled by economic crisis, dramatic political changes and ethnic and sectarian splits.

-1: Some Muslims have accused the army - of favoring Christians on the island. ... Some analysts fear that religious strife could inreat mocracy for Indonesia, which is pre-

paring on June 7 to hold its most open

 partiamentary election since 1955. About 90 percent of Indonesia's 210 : million people are Muslim, making it the world's most populous Islamic state. Much of Ambon's population, however, is Christian

### East Timor Plan to Be Revised

Indooesia said Monday it would rewise details of an antonomy plan for the territory of East Timor and needed until the end of April before presenting its final offer at talks at the United Nations. The Associated Press reported from ... Jakarta.

The plan had been expected to be announced in New York later this week at the negotiations with East Timor's old - colonial master, Portugal.

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Funding Problems?



INTERNATIONAL WOMEN'S DAY -- Some of the 50 women who were arrested in Jakarta on Monday after staging a peaceful demonstration outside a UN office. They were protesting violence against women.

# India Coalition Retreats on Rule of Bihar State

By Celia W. Dugger New York Times Service

NEW DELHI — Bowing to certain defeat in the upper house of Parliament, the Hindu-nationalist-led ruling coalition revoked on Monday the naladia's poorest and second most populous state.

Home Minister L.K. Advani anstatement in Parliament.

Last month, the national government dismissed the state government of Rabri Devi and ber husband, Laloo Prasad Yadav, who belong to the cowberder's caste, on the ground that the state, which is home to almost 100 lawlessness during their nine-year

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ratify the move. Mr. Advani conceded ers from the lowest castes. Atal Bihari Vajpayee had failed to convince the opposition Congress (I) Party to support the takeover, dooming it to defeat in the upper house, where the tional government takeover of Bihar, ruling coalition is in the minority. Opposition members thumped their desks in delight after Mr. Advani's remarks.

Mr. Yadav, a member of Parhament, nounced the cabinet's decision in a held a triumphant press conference in New Delhi, while his wife, who is expected to reclaim her position as chief minister once the formal revocation of national rule is complete, greeted wellwishers at the chief minister's residence

in Pama, the state capital. The immediate catalysts for national million people, bad descended into rule in Rihar, imposed last month, were two massacres in which an outlawed upper caste army formed by landown-But India's governing coalition ers slaughtered 34 men, women and of Bihar, but she would not budge.

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needed both bouses of Parliament to children, most of them poor farmwork-

to get the measure through the lower house, the Lok Sabha, where it has a slender majority. Mr. Vajpayee, who heads the Hindu nationalist Bharativa Janata Party, turned the issue into a virtual referendum on his government, aggressively lobbying reluctant statelevel parties in his own coalition.

They have traditionally opposed the use of the constitutional provision that allows the national government to unseat democratically elected state governments and that has been invoked more than 100 times in the past halfcentury.

Mr. Vajpayee met for 45 minutes Sunday with the president of the Congress Party, Sonia Gandhi, to ask her to reverse course and support the takeover

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### *EUROPE*

# Kosovo's Serbs and Ethnic Albanians Ignore Each Other, Except in Battle

By Carlotta Gall New York Times Service

PRISTINA, Yugoslavia - The vibrant café scene in Pristina can make one forget there is a war going in Kosovo Province. Through a fog of cigarette smoke and against the pounding of pop music, fashionably dressed students drink small cups of strong coffee or glasses of local cognac.

year of fighting and Kosovo's relentless ethnic divide dictate even where the young go to drink their coffise. Ethnic Albanians frequent Albanian-run cafés and the local Scribs go to the Serbian-run places.

otherwise. They coexist in a sort of silent, sullen apartheid that first took root lent, sullen apartheid that first took root institutions, from hospitals to most fac-in the 1980s and is now the hallmark of tories. Ritmic Albanians who were not

autonomy in March 1989, and especially since security forces started cracking down a year ago against the ethnic Al-

The estimated 2 million people of Kosovo, 90 percent of them ethnic Al-

in their own ethnic group.

Mimoza, a dark-haired, 22-year-old piano student who declined to give her last name, studies at the music faculty in the university in Pristina.

"The alternative university," she Yet the upheavals of the past decade, a stressed, tapping ash off her cigarette at the bar of a busy café. She was referring to the university set up by ethnic Albanians for their fellow Kosovars after the Serbian authorities expelled teachers and professors from state-run schools The two almost never mix, socially or and the university in 1990.

The pattern was repeated in all state Since Slobodan Milosevic, then president of Scrbia, stripped away Kosovo's funded by the Albanian disapora. fired from such jobs simply quit, and joined the "alternative" institutions

banian rebels of the Kosovo Liberation schools are located mostly in houses dot-

Army, both ethnic groups accept seg-regated life as inevitable and permanent. atternative health system functions out of which severely punished any expres-Sitting cross-legg alternative health system functions out of which severely punished any expresone-room clinics built with donations.

In the town of Glogovac, for example, banian, conduct their lives entirely with- Bedin Halilaj works in a tiny room sponsored by the local Mother Theresa. charity. The only doctor in miles for the local Albanians, he writes prescriptions on scraps of paper even though he has virtually oo drugs to give out.

Mimoza says she has no ethnic Serbs as friends, or even as acquaintances. "It is because I went to an Albanian

school and now the Albanian university," she said. "I would not want them anyway, after all that has happened." Like many others in the Albanians' clannish, tight-knit society with its large emphasis on extended family, she has lost a relative in the fighting in Kosovo last year that took 2,000 lives.

The older generation in Rosovo, brought up under communism in the old, Titoist Yogoslavia, tended to mix more. Most education then was in the Serbian language, and those who did their military service or worked in state organizations were thrown together with oth- ferent culture, a different religion and a Even if by chance had met a Serb on the

sions of nationalism.

But today's students, like Mimoza, were separated throughout their schooling, attending either Albanian-language or Serbian-language schools. Most Al-banians can speak Serbian and many local Serbs know at least a little Albanian. But both ethnic groups insist on

only speaking their native tongue. Professor Asllan Murati, the imam of the main mosque in Mitrovica in northem Kosovo, says that while segregation was forced upon ethnic Albanians by the Serbian government, it in fact merely consolidated natural differences.

"When the Serbian anthorities threw them out of their state jobs, the Albanians were forced to organize their lives as they could, creating schools in houses and setting up private clinics," be said. "And because of that, Albanians and Serbs are now living in separate worlds. The Albanian majority is ruled by a minority. And we Albanians have no connection to them, we have a dif-

Sitting cross-legged on the carpeted floor of his mosque, a tall red hat wound with white cloth on his head, the imam said the war in Kosovo is a nationalist struggle, not a religious struggle pitting

Muslims against the Orthodox Serbs. "Although 90 percent of the people in Kosovo are Muslim, we want a national government and to give the same rights to all religious confessions and minor-ities," he said. "It is possible to live again together. Those people who have blood on their hands must be charged and punished.

But few ordinary people believe that they can return to a life of being good neighbors. People flooded out of the mosqoc at the end of prayers, old men in traditional white felt caps and young men in jeans and down jackets.

Vedat, 20, an ethnic Albanian from the village of Prekaze in the north who also declined to give his last name, said be does oot know any Serbs.

He had walked an hour and a half to attend Friday prayers at the mosque.



way, he would not have chatted with

him, he emphasized. In the villages of Kosovo, the ethnic divisions are only too evident. There are few mixed settlements. Even if a Serbian village is adjacent to an Albanian one, there is little cootact between them.

**Italy Demands** 

Punishment in

**Cable-Car Case** 

ROME - Italy on Monday said it was

still waiting for the United States, to

identify and punish whoever was re-

sponsible for the deaths of 20 people in a cable-car tragedy caused by a U.S. Marines jet in the Alps last year.

Prime Minister Massimo D'Alema,

just back from a visit to Washington,

reiterated that the acquittal last week of

the jet's pilot was "macceptable."
He added that if the United States did

not eventually ensure that justice was

done, a review of an international con-

vention on the status of NATO forces

responsibility be speeded up and that those responsible be punished," Mr.

D'Alema said at his weekly press con-

We expect that the determination of

could be called for.

# 6 Libyans Tried by France In Absentia for Bombing

They Are Charged in 1989 Destruction of Airliner

By Craig R. Whitney

PARIS - An anti-terrorism court here Monday put six high-ranking Libyan officials on trial in absentia on . charges of ordering the bombing of a French DC-10 airliner that killed 171 people in 1989.

Under pressure from tight international economic sauctions imposed because of Libyan support for terrorism, Libya's leader, Colonel Moammar Gadhafi, allowed a French investigator into the country in 1996 to take evidence against the six suspects. They include Colonel Gadhafi's brother-in-law, Ab-

dallah Senoussi. Colonel Gadhafi offered no objection to the trial in absentia, which is expected verdicts against all six. They are, as far as anybody here knows, at liberty in

cannot have lawyers contest the charges against them at their trial.

Judge Jean-Louis Brugniere, the inagain if convicted.

# **Britain Delays Effort to Form Ulster Cabinet**

By James F. Clarity New York Times Service .

BELFAST — Britain announced a f. three-week postponement on Monday in the effort to create an executive cabinet that is to put into effect sweeping political changes in this British province. The and murder for allegedly rigging an exchanges are to give the Roman Catholic plosive device in a suitcase and checking minority more power and to return home rule to the province.

Mo Mowlam, the British Northern

" needed to give the politicians more time

The cabinet executive, which had been scheduled to be formed by members of the Northern Ireland Assembly on Wednesday, was delayed by the contimning dispute over the disarmament of the predominantly Catholic IRA. The Protestant first minister of the assembly, David Trimble, has ruled that until the IRA began "credible" disarmament, Sinn Fein would not be allowed to take its two places in the new cabinet.

Mr. Adams says, accurately, that the peace accord approved last April setting up the assembly does not require disarmament before May 2000 and that the TRA's current 19-month cease-fire is evidence that it supports the peace effort.

Efforts to reach a compromise failed again Monday as Mr. Adams met in Dublin with Prime Minister Bertie Ahera of the Irish Republic. Generally, northern Catholics look to

Dublin and the overwhelmingly Catholic Irish Republic to support their demands. But Mr. Ahern has said that it is unrealistic to expect Protestants to sit in a cabinet with Sinn Fein until the disarmament dispute is settled.

Mr. Adams and Mr. Trimble are to meet in Belfast on Tuesday, but officials and experts said that a breakthrough in the dispute was unlikely.

Ms. Mowlam said she was extending the cabinet deadline to the week starting

March 29. That would mean that the politicians would be talking as the first anniversary of approval of the overall peace agree. ment — April 10 — approached, pre-sumably increasing public pressure for a

Ms. Mowlam said the delay would give the northern political parties "the time and space to find a way forward." She noted that many of the assembly members would be in Washington next week for St. Panick's Day ceremonies at the White House.

The evidence against them includes a Samsonite smitcase armed with explosive and provided to the judge by Libyan authorities two and a half years ago. Judge Bruguiere said the suitcase was identical to the one that blew np and brought down the airplane. .

Other evidence, Judge Bruguiere said, showed that Libyan operatives had bought explosives and detonators and plotted to blow up a Prench airliner in retaliation for French intervention on the side of Chad in a war Libya had been fighting there in the mid-1980s.

Mr. Senoussi, then chief of foreign operations for the Libyan secret service. is accused of ordering one of the other defendants to provide a rigged Samsonite suitcase to a passenger, who checked it onto UTA Flight 772 to Paris to conclude later this week with guilty in Brazzaville, capital of the Republic of Congo. The airline no longer exists.

The bomb went off while the plane Under French law, being absent, they But because the wreckage came down in the desert, investigators were later able to piece it together in a hangar at Le Bourget Airport outside Paris and devestigator who built the case against - termine the cause of the explosion. them, said that international birest war- or will found guilty/of conspiracy to comis rants; for the defendants; would ensure I mit amorder and setting off destroctive that they never set foot out of Libya explosions as part of a terrorist plot, all six could get life jail terms. These would likely be only symbolic, although Colonel Gadhafi might agree to pay re-parations to the 232 relatives of the

victims with legal standing in the case. Hill's spokesman. Flight 103, which blew up over Lockto New York in December 1988, killing ing it clear that the U.S. government overseeing the settlement attempts.

270 people in the plane and on the awaited the actual signing of the peace Mr. Rubin added that once the agree

Three years later, Scottish authorities charged two Libyan intelligence operatives, Abdel Basset Ali Megrahi and Lamen Khalifa Fhimah, with conspiracy it aboard a connecting flight from

Mo Mowlam, the British Northern Until last year, the United States and Ireland secretary, said the delay was Britain had insisted that the sanctions needed to give the politicians more time against Libya, which include a ban on all to seek compromise in the dispute over international flights into or out of the disarmament of the Irish Republican country, would remain until the defen-Army. But Gerry Adams, president of the IRA political wing, Sinn Fein, clearly anticipating the delay, said the fault lay with London and added, "Now we're into crisis time, big time."

country, would remain until the defendants were extradited for trial in Scotlands But now Washington and London are agreed that they can be tried before a special Scottish court in a third country, the Netherlands, which is ready to make available a secure compound in Zeist, outside of Utrecht.

The United Nations secretary-general, Kofi Annan, has been trying to get Colonel Gadhafi to agree to send the two defendants there for trial with the understanding that sanctions would be lifted immediately if he did.



Bonn's foreign minister, Joschka Fisher, left, with President Slobodan Milosevic of Yugoslavia on Monday.

# The bomb went off while the plane was high over Niger, killing all aboard. But because the wreckage came down in

PRISTINA, Yogoslavia - Leaders of not a promise to sign. 

Ambassador Hill to convey to Secretary after earlier reports that the separatist French officials have said they expected of State Albright that it has approved the force had raised new objections to the Rambouillet accords and authorized deal. Mr. Recker said the KLA leaders Mr. Milosevic told him Mr. Holbrooke their signing, " said Phil Reeker, Mr. faced problems coming together in the would come on Tuesday.

The United States and Britain have

Mr. Reeker spoke by telephone with not been willing to settle for trial in absentia of two defendants in a similar hours meeting KLA leaders at a house in general staff had conveyed that message

Mr. Reeker spoke by telephone with spokesman, Jamie Rubin, said the KLA until the ethnic Albanians had signed the time of the disaster, said an international Mr. Reeker spoke by telephone with case, that of :Pan American Airways the center of the rebellious province. Mr. Reeker was guarded in his re-

BANJA LUKA, Bosnia-Herzegovi-

na — Signaling an easing of tensions, the moderate leader of the Bosnian

Serb region of Bosnia-Herzegovina moved Monday to soften his threat to

resign over an international ruling that

removed the strategic city of Brcko

Prime Minister Milorad Dodik said

without elaboration that he would "re-

consider" the resignation of his gov-

from Serbian control.

the Serbs, Christopher Hill, the special been some false steps and frustrations so U.S. envoy, said Monday. Ict's just see what happens The KLA General Staff has asked The breakthrough came as a surprise

Serb-run province to consult.

to Mr. Hill after a second day of meet-

Bosnian Serb Softens Stand on City of Brcko

and hard-liners who oppose cooper-ation with Croats and Muslims.

would boycott participation in joint national institutions with Bosnia's oth-

ernment over the amouncement that er ethnic groups in a protest against the Brcko would be placed under the joint authority of Serbs, Muslims and elected president, Nikola Poplasen. ended to construct the pend cooperation meant that that community will no looger work with the others. In effect, the decision again

Croats.

Mr. Dodik, speaking after a govmoderscored the ethnic divisions that
Mr. Dodik's comments — and his
praise of the international official who high commissioner. Carlos Westenpervision were supposed to over-

peared to lessen the prospects of a lasen, his rival complete breakdown of relations be"It is a goo

complete breakdown of relations between Bosnia's Serbs and international longer president," Mr. Dodik said.

officials in the country. The cornerstone of the 1995 Dayton
At the same time, it raised the peace accords was the concept that

specter of renewed splits between Bos-nian Serb moderates, like Mr. Dodik, state of Serbs, Muslims and Croats.

On Sunday, the Serbs said they presidency and national Parliament

were created.

deal by the Kosovo Liberation Army, ment had been signed, a decision would be made as to how best to persuade

> gotiator Richard Holbrooke to discuss the agreement with Mr. Milosevic. Earlier, Foreign Minister Joschka

Fischer of Germany said in Belgrade that Mr. Robin, however, said Mr. Hol-

In his talks with the German delings on whether to accept the plan as egation, President Milosevic stood firm erbie, Scotland, on its way from London action to the KLA announcement, mak-drafted by the six-nation Contact Group in his opposition to allowing foreign verseeing the settlement attempts. troops to enforce a prospective peace accord on Kosovo. (Reuters, AFP)

As part of that expectation, some

The Bosnian Serb decision to sus-

underscored the ethnic divisions that

joint institutions such as a collective

ference. "The trial in the United States has not yet ended. We will give our overall judgment when both trials conclude with a verdict. What has happened so far is oot acceptable." The U.S. military court that acquitted

Captain Richard Ashby is due to try Captain Joseph Schweitzer this month for alleged criminal negligence in planning the flight of the EA-6B Prowler.
The jet was oo a routine training flight from the Aviano air base oo Feb. 3 when

it cut ski-lift cables and sent a cable car plunging about 120 meters (400 feet) to the ground.

Captain Ashby's acquittal on involuntary manslanghter charges has outbate over U.S. and NATO bases on

Italian territory. convention that gives nations the right to try their soldiers for offenses committed in other countries should be reviewed.

The United States refused to relinquisb jurisdiction in the cable-car case, availing itself of a clause in the 1951 London Convention on the status of

NATO forces.

Mr. Flick told La Stampa, a Turin daily, that the 1951 accord "is a son of the Cold War" and that "the only reason to keep the clause is that justice has to be ensured in any case. That is, if the United States has the right not to give up to jurisdiction, they have the duty to make sure justice is ensured."

Foreign Minister Lamberto Dini added in an interview with Corriere della Sera that jurisdiction was an issue that con-cerned all of NATO, but that Italy would "consult and reflect" on whether to ask a possible revision of the convention.

Mr. D'Alema said it was premature to

discuss a review of the convention at the

He reiterated that at his meeting in Washington on Friday with President Bill Clinton both sides had agreed to review operational and safety measures to see if further precautions were

### BRIEFLY

## Russia Threatens Chechens

MOSCOW - Russia threatened Monday that it would order strong action against the Caucasian region of Chechnya if a Russian general taken hostage Friday was not released at ouce.

The warning was couched in some of the harshest language used by Moscow against the separatist republic since a Russian military in-cursion ended in 1996.

Interior Minister Sergei Stepashin said in a statement that Russia's "level of patience with deepening criminality in the republic has run It was unclear what measures Russia could

take to subjugate the region, which it failed to subdue in a 21-month war that left tens of thousands of people dead amid wide destruction. Mr. Stepashin's statement followed a Sunday

night televised interview in which the interior minister vowed not only to free Major General Gennadi Shpigun but also to punish his captors.
General Shpigun, who was Mr. Stepashin's representative in Chechnya, was seized by gunmen who leaped out of the luggage compartment of his Moscow-bound jetliner as it taxied toward

Capital.
On Sunday, Moscow evacuated the remaining Russian government personnel from a headquarters in Grozny to a military base beyond the

takeoff at the airport in Grozny, Chechnya's

present a list of suggested sanctions to Russia's security council for approval.

announced the Brcko ruling - ap- dorp of Spain, for dismissing Mr. Pop- come.

"If new terrorist acts or serious crimes are carried ont from Chechen territory, the bases and hiding places of bandit groups will be destroyed in accordance with international practice," the statement said

### Balloonists Head for India

GENEVA - The Swiss adventurer Bertrand Piccard and his British co-pilot headed toward India on Monday in their attempt to make the first ponstop flight around the world in a hot air balloon, their backup team said.

Mr. Piccard and Brian Jones were traveling at around 65 kilometers per hour (40 mph) in their Breitling Oribter 3 with oo major problems to report, a team spokeswoman in Geneva said. She said the pair were around 100 kilometers from India and hoped to be over the center of the

subcontinent by around midday on Tuesday.

They would then head for China, where authorities have given them permission to fly over a zone of airspace.

Mr. Piccard and Mr. Jooes on Sunday became the only crew in the sky attempting to be first round the world after the rival Cable & Wireless craft was forced by bad weather to ditch in seas

off southern Japan. The spokeswoman said they had some electrical problems with the balloon's burners but this Mr. Stepashin's statement said he would would not endanger the mission. (Reuters)

# NATO: Blair Presses for an All-European Defense Force

# Continued from Page 1

initiative he put forward jointly with President Jacques Chirac of France in December at their summit meeting in St. Malo, France.

Questions about the relationship between a

European defense force and NATO have loomed larger in recent weeks as allied governments grappled with a new strategic concept to be un-veiled at the Washington summit talks. Central to this blueprint is a military balance that maintains

United States needed to expand and confirm the Clinton administration's pledge to let U.S. electronic systems and cargo aircraft operate with a European-led task force in crises where Washington did not want to involve U.S. armed forces. Bot his bluntest challenges were directed at other

European governments, "too few of which have started restructuring their military" for the post-Cold War era in which countries need to have crises, Mr. Blair said in his speech at the Royal United Services Institute in London.

Britain has moved rapidly with its military changes, dismantling units designed to fight a land war in Central Europe and replacing them with smaller, highly equipped forces that can move rapidly by plane or in convoys. With an all-professional army smaller than the armies in countries clout without increased spending by looking at such as France and Germany, Britain can put larger ways to cooperate more closely.

fighting units than any other European ally into combat in the Balkans or in the Gulf.

"Far from replacing NATO, the European capability is an essential complement," Mr. Blair said in comments that fleshed out the defense budgets on manpower and retirements, not on new

equipment.
Enhancing Europe's military capabilities is an essential first step toward gaining credibility for a European foreign and defense policy, Mr. Blair said, a formulation apparently intended to reassure U.S. and NATO leaders that Britain's ideas were designed to make European governments more serious about security issues.

strong trans-Atlantic ties.

Mr. Blair spelled out the requirements for a better balance within NATO. He said that the also sought to allay U.S. concerns by stressing that he wanted Europeans to work together more closely on defense without challenging NATO as the bedrock organization of Western security in Europe and elsewhere. Any decisions for European action, be said, would remain firmly within the hands of governments, without any role for the European Parliament or the European Commission.

But in a hint of U.S. impatience with ideas of European defense, General Wesley Clark, the milmobile forces that can cope with sudden, distant itary commander of NATO, said that Washington was dismayed to see that European countries were continuing to cut military spending. The Clinton administration has boosted next year's defense budget and U.S officials have called on European governments to invest in advanced electronic weaponry for future conflicts. Mr. Blair suggested that European governments could get more military

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### EDITORIALS/OPINION

# **Cures for the Balkans**

With ethnic violence in Kosovo, and politicians warning that NATO will need to occupy Bosnia for years to come, it seems to many people that a durable peace in the Balkans is a hopeless goal. The conflicts stem from ancient hatreds, people say. They can be buried for years or decades but they always return.

It is dangerous to underestimate the weight of history, but it can be just as mistakeo to overestimate it. Ancient hatreds in the Balkans have produced cycles of killing and revenge. That provides the climate for more explosions of hate. Bot combuscion requires the addition of other factors very much of the present. For lasting peace in the Balkans, and in other regions with similarly troubled pasts, the world must be able to spot and prevent those con-ditions before violence begins.

The Bosnian war was not about religion but about the past. Virtually every person who has ever picked up a pistol or sword in the Balkans claimed to be fighting to save his ethnic group from a repeat of the physical or cultural annihilation it suffered in the past. Persistence of fear, however, does not necessarily mean persistence of war. Balkan wars over the centuries encompassed various parts of a regioo that stretches from Austria to Turkey. Most of these nations are now at peace.

Fighting breaks out when two events mingle in an atmosphere of fear. One is a sudden political change, when one order has broken down and a new one has not yet taken its place. This is what happened in 1991. It was the manip-ulation of ethnic fear by Slobodan Milosevic that provoked non-Serbian ethnic groups to separate from Yugoslavia, fearful that they would be persecuted under his rule. The establishment of Ctoatia and Bosnia as independent states left Serbs there in a minority. Having been slaughtered in World War II'by Croats, and to a lesser extent by Muslims, Serbs worried that the Serbian minorities could be in danger.

The other necessary ingredient is a

demagogue with a television station. Mr. Milosevic in Serbia and Franjo Tudiman in Croatia have exploited and encouraged fear to keep themselves in power. Mr. Milosevic's propaganda machine rarely mld Serbs to kill their neighbors. It just warned them, falsely, that their neighbors were coming to kill

them. That was enough. Cooling hatreds after a war like Bosnia's or Kosovo's requires time and an imposition of new rules that calm fears. Tito did this in Yugoslavia after World War II. Class took the place of ethnicity. It might still be working had Mr. Milosevic not been allowed to exploit nationalism. Bosnia must develop strong guarantees of minority rights strong enough to be universally trusted

— and a political system mature enough to reject nationalist leaders be-fore they do harm. Until it can, and this is likely in take a long time, some form of peacekeeping may be needed, or at least a promise that NATO forces will return quickly if violence resumes. In Kosovo, a fragile, contested peace is the best that can be expected while Mr. Milosevic remains in power.

It is easier to prevent outbreaks of hatred than to end them. Macedonia is an example of how this can be done. Ethnic Macedonians and Albanians, determined not to repeat the mistakes of neighbors in Kosovo, have formed a coalition government. The UN peacekeeping force there, vetoed by a vengeful China angry that Macedonia recognized Taiwan, should be reconstituted as a NATO mission immediately.

Preventing ethnic violence requires foresight. The world watched Mr. Milosevic's growing crackdown in Kosovo for years but did nothing until the problem became virtually incurable. The West should have increased the pressure on him to restore the selfgovernment he rohbed from Kosovo when be came to power. No one can change history, but moch can be done to keep it from repeating itself, even

- THE NEW YORK TIMES.

# Killers in Uganda

·The savage killing of eight foreign tourists in a remote park in Uganda gives a bitter taste of the violence that has spilled across Central Africa since a Hum-led regime in Rwanda killed opward of half a million people there, mostly Tutsis, five years ago. The killers are thought to be from a roaming Hutu militia band spun off from the thugs who perpetrated the Rwanda genocide. They have been giveo free rein by the civil war in oeighboring Congo (formerly Zaire), a war in which Uganda and Rwanda's now Tutsi-led government have supported the rebel side. The killers at Bwindi National Park, world-famous for its gorillas, left messages warning Rwanda's supporters, including Britain and the United

States, to cut Rwanda off.

For Uganda the killings are a painful blow. President Yoweri Museveni is widely hailed as an effective promoter of economic growth. He promised the victims' families that he would catch and execute the murderers. But Uganda's security forces are spread

thin against an array of insurgencies, The park rangers who are intended to be the first line of defense apparently had cause hut failed to transmit the requisite timely alert. The result is bound to be a crimp in tourism, a major hard currency earner for Uganda, and a further crimp in the confidence in social order that is the irreplaceable

premise of foreign investment.

Tourism breeds a special interdependeocy. The hunger of Westerners for exotic and pleasurable destinations seods increasing oumbers of travelers to places where their security may be at risk. True, security may be at risk in Miami, too; Florida suffered an 11 percent decline in overseas visitors in 1993 after some incidents of crime. But guerrillas in the outback looking to kill or take hostages for political purposes are hard to get at. A hurdeo falls on destination countries to ensure tourist security, and on sending countries to warn their nationals fairly and without exaggeration of the perils of the road.

-THE WASHINGTON POST.

# Getting Out of Lebanon

lateral withdrawal from southern Lebanon has been kicked around, and now its time may be coming. This good news is the result of two developments: continued painful Israeli casualties in that slice of Lebanon, and an Israeli election run-up that is airing alternatives to the stalemated Middle East

peace negotiations. The Hezbollah militia, sustained by Syria and Iran, had been shooting across Lebanon's border into Israel's northern towns. Israel responded by setting up, with a conservative Lebanese militia, a "security zone" (a euphemism for occupation) on Lebanese territory. That invited Hezbollah to claim that it was repelling a foreign invader. Syria, the power in Lebanon, has used Hezbollah to bleed Israel in order to compel the Israelis to resume negotiations with Syria on its terms.

A unilateral Israeli pullback from southern Lebanon would cut off the politically charged flow of Israeli casnalties. The Lebanese government would regain its authority over its

southern territory and spare its citizens further heavy war losses. With the Israelis gone, the rationale of fighting to expel them could no longer be evoked by Syria, Hezbollah or anyone else. A possibility to put the derailed Israeli-Syrian oegotiatioo hack on track would spring into being. If anyone resumed rocket attacks on Israel's northern villages, of course, the Israelis would have a right to pro-

tect their people.

Eager perhaps for a break from their punishing negotiations with the Palestinians, Israelis seem to have mrned to the Lebanese issue, which is urgent in its own right. The prime minister and his chief challenger, Labor's Ehud Barak, both looking to show leadership, have assured Israeli voters that, if elected, they will pull out in a year. They are being prompted by the se-curity-minded Ariel Sharon, currently foreign minister, who has floated his own unilateral withdrawal plan. It could happen. The elections are in May and June.

—THE WASHINGTON POST.

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# At Long Last, Signs of Economic Revival in Japan

NEW YORK — The long national economic nightmare is finally ending in Japan. After a decade of denying reality, of bad policies being followed

hy worse changes, the Japanese eco-omic pulse is starting to be heard.

That is not the opinion of most Japan-watchers. Past signs of an economic spring have proved false. In the last seven years Japan's economy has grown by just 5.5 percent, or an average of less than 1 percent a year.

"No one wants to stick their neck

out and call the bottom," says Ron Bevaqua, a senior economist with Merrili Lynch in Tokyo, who can list the positive things going on but nonethe-less forecasts that this revival, like others before it, will sputter. He fears that consumers will stop spending.

That pervasive pessimism has obscured positive developments that would provide encouragement anywhere else. At long last, the government is doing everything it can to stimulate the economy with fiscal and monetary policy. Steps are being taken to re-

capitalize hanks and alleviate the credit crunch. Japanese corporations are restructuring in ways that will make them more efficient. The number of new corporate bankruptcies has fallen sharply.

But because Japan has been down for so long, many doubt that announced reforms will be carried out, and almost everyone is cautious. As retail sales rose in recent months, manufacturers hesitated to step up production. Now inventories are at a four-year low and production is starting to rise.

The most obvious clue that change is at hand is the performance of small Japanese stocks. Most of them depend on the local economy and are of little interest to foreign investors. So in the years since the bubble burst, they have had almost nothing going for them. The Japanese index of over-the-counter stocks fell by \$5 percent from its 1990 peak to last October's low. But now it is up 50 percent from the low.

Large Japanese companies, more de-pendent on exports, have not done as well. Even with Friday's leap of 5 percent, the Nikkei 225 is just 16 percent above its October low.

It is still possible that consumers will be reluctant to continue spending, or that those in the government who are appalled by the big hudget deficits being posted will try to raise taxes, re-peating the mistake that so but the economy last year. It is not certain that Japan's banks will succeed in putting their bad loans behind them, or that they will be willing to lend to businesses without the government guarantees now being used to stimulate lending. In addition, notes Robert Barbera of Hoenig & Co., one of the few economists who expect Japan to grow this year, "they have to prevent easy money at home from deteriorating into a collapsing yen, because the world needs them to generate a homegrown recov-

ery, oot an export-led expansion.' But consider what will happen if the pessimists are wrong. Just as Japan's

falling yen and the retreat of Japanese banks helped cause the Asian collapse, the reversal of those trends could assure that tentative recoveries in South Korea and Thailand continue. A growing Japan would help to stem deflationary forces in the world, helping manufac-

Not everything will be better with a healthy Japan. Already, Japan's big deficit financing is boosting long-term interest rates there and is one reason why long-term rates are rising in the United States. The environment will not be quite as nice for consumers, who will see more inflation and higher mortgage costs. Japan will seem like a better place to invest money, making the United States seem less attractive and perhaps putting pressure on the dollar.
But, to say the least, all that would be worth it. Only months after many were worrying that a global recession, or worse, was at hand, there are signs that the sickest of the big economies is off the critical list and on the way to recovery.

The New York Times.

# Bad News for Albright: Kosovo, Iraq, Russia and China

By Charles Krauthammer

WASHINGTON — Accompanied by her usual train and trailing the majesty of the greatest power oo the globe, Madeleine Albright twice descended upon the Kosovo conference in Rambouillet, France, confident that ber very presence would bring peace to Kosovo, or, if not peace, then at least a few cathartic air strikes or a conscience-soothing Marine Corps deployment.

Well, she got neither peace nor air strikes nor her deployment. Instead she got the phone hung up in her face by a two-bit leader of the year-old Kosovo Liberation Anny, a rabble of armed Albanians so ragtag as to make the Irish Republican Army look grand by comparison.

This is a version of "Wag the Dog" in which the United States loses to the Albanians, What makes it all the more humiliating is that Mrs. Albright's objective in all this was to save the KLA and the Kosovars from destruction at

the hands of the Serbian army. Unfazed, the secretary of state sent Bob Dole, who was taking time off from selling Viagra, to cajole those ungrateful guerrillas to give lip service to her autonomy pian. The KLA, upon reflection, will likely agree. And the United States can then go and bomb Serbia on their behalf.

Such is the state of U.S. foreign policy under Madeleine Albright. She bas turned into a master of the empty threat and the useless gesture. Iraq policy is little more than

empty threat alternating with useless gesture. North Korea is unrestrained, testing and exporting missiles, threatening its oeighbors, violating the 1994 'framework agreement' to freeze its onclear program, even as Mrs. Albright clings to it for fear of having to do something about North Korean violations. Russia is more hostile to the

United States than at any time since the fall of communism, routinely trying to thwart American policy in Iraq, Kosovo, Iran and wherever else it can. And China. Mrs. Albright

followed her Rambouillet fi-

asco with a visit to China that can only be called puzzling. She makes a great point of delivering a short lecture or two on human rights, even as she demonstrates that the United States is prepared to do absolutely nothing to back up these 'values," In preparation for her visit, one human rights activist was sentenced to a labor camp, and 10 others were arrested for

trying to start a political party. She says how unpleasant all this is. The Chinese tell her to mind her own husiness. And they then get down to business, working oo the terms for China's entry into the World Yet remember how Mrs. Al-

intelligence, her charm and, above all, her toughness. 'The lady is a hawk," sang News-week. "The Munich mind-set has made Mrs. Albright far from squeamish about the use

of military force," chimed in The New York Times. who supported the ouclear freeze (the flabbiest, stupidest strategic idea of the 1980s), opposed aid to the Nicaraguan contras and opposed the Gulf War. Ah, but she was for get-

ting tough in Somalia.

Mrs. Albright no longer gets fawning coverage. Now she gets merely sympathetic cov-erage of the "Oh how tough it is to be secretary of state in such an unruly world" variety. CBS News, for example, aired a long puff piece on her Rambouillet fiasco: What good in-

tentions, what difficult prob-

bright was ushered into her of- lems, what stubborn negotiatfice two years ago with swoon-ing front-page stories about her ors! Why does she get such an easy ride in the media?

Is it unmanly to point out that her tenure has been a mess and a mediocrity? If Warren Chris-J topher had committed a miscalculation as large as hers at Rambouillet, he would have

been pilloried. The New York Times.

Where did this nonsense come from? This is a woman for naught, Hafez Assad's favorite windup toy — was routinely pilloried for a lot less. Being stiffed by the dictator of Syria is bad, but not half as bad as being dissed by the woodsmen of Kosovo.

Moreover, Mr. Christopher had the virtue of making no pretense of toughness. The selfproclaimed danghter of Munich, oo the other hand, has specialized in a policy of as-sertive hluff. Her most remarkable achievement has been to make one wistful for Warren

Washington Post Writers Group.

# Good News From the Balkans: Bulgaria and Macedonia

PARIS — Since early in the 19th century, it has seemed that the search for national af-firmation by the Balkan peoples was a vocation of suffering and frustration for them, while posing political conundrums for the great powers. This is still the case, as the Kosovar Albanians attempt to claim national independence in the land they

have historically dominated.

... By William Pfaff

Albanian minority. now occupy, land that the Serbs Macedonia's own history is

The Western powers, with America in the lead, have knotted themselves into an effort to appease the Albanians with something less than independence, while convincing the Scrbs that they must yield the substance of control over Kosovo, keeping only a nominal

WASHINGTON - Dur-ing the 1996 Clinton

campaign for president, Chi-

na's agents of influence had

the run of the White House as

they raised millions for the

Clinton campaign. Chinese

military intelligence officials

were waved in without clear-

ance. U.S. executives contrib-

uted megabucks as they lob-

hied for easier approval of

sales of sensiove technology

of 1996, a Department of En-

ergy official informed Pres-

ident Bill Clinton's deputy na-

oonal security adviser, Sam-uel Betger, (1) that China had

probably stolen U.S. secrets of making warheads small

enough to enable long-range missiles to pack multiple nu-

clear punches, and (2) that the

suspected spy was still at work in the Los Alamos laboratory

Mr. Berger, who sat in on most of the poliocal meetings with Mr. Clinton's Asian

fund-raisers, did nothing. The

internal security division of

the Department of Justice ap-

parently did not ask a court for

wiretap authority under the

Foreign Intelligence Surveillance Act. At Reno Jusoce,

investigating any Chinese penetration is a no-no.

news stories and columns about Mr. Clinton's "Asian

connection" had stimulated

law enforcement officials and a

Senate committee to bestir

themselves, FBI Director Louis Freeh and CIA Director

George Tenet went to the of-

fice of Energy Secretary Federico Peña. 'Louis and

George read him the riot act," a

meeting participant tells me,

More than a year later, after

in New Mexico.

In the midst of this, in April

These efforts, which have thus far been unsuccessful, reflect Western concern for what remains of stability in the region. The powers fear that independent Albanian Kosovars would to try to unite with Albania itself. placing divisive pressures oo Macedonia, which has an ethnic

one of hostile claims by its Bulgarian, Serbian and Greek neighbors. Western diplomats fear that ethnic divisions inside Macedonia could reignite these claims and cause a larger disorder that could bring Turkey into the affair as well, because of its historical association with the entire region.

How Clinton Delivered for China

**By William Safire** 

'about lax security at Los

But nothing happened for a year and a half. Senator Fred

Thompson's hearings on the

Asian connection were politi-

cized and truncated by John

Gienn and Tom Daschle. Not

until late 1998, when a hi-

partisan House select commit-

tee under co-chairmen Chris

Cox and Norman Dicks began

asking questions about Chi-

nese espionage, did a new en-

ergy secretary begin to lock

For months, the House se-

lect committee has been ne-

gotiating with the Clinton

Secrecy Brigade to declassify most of its 700-page report. The White House hopes to

delay clearance until the select

committee goes out of busi-

ness in April, when criticism

of the espionage defeat and its

Clinton cover-up could be dif-

But Mr. Berger did not reckon with the journalistic enterprise of James Risen and

Jeff Gerth of The New York

Times. Their story on Saturday, headlined "China Stole

Nuclear Secrets for Bombs,'

showed how the theft of nu-

clear secrets enabled China to

leap a generation ahead with

warheads that can be launched

The reporters quote Paul Redmond, the CIA's former

counterintelligence chief who

caught the Soviet spy Aldrich

Ames, assessing the impact on U.S. defenses of this Chinese

espionage: "This was far

more damaging to the nadonal security than Aldrich Ames."

Mr. Berger has a unique

fused and buried.

from under water.

the barn door.

Alamos."

Macedonia thus is central to continued stability, which is why a UN peacekeeping force has been stationed there and Macedonia has been made the staging area for a NATO force ready to intervene in Kosovo.

A positive development in Macedonia's relations with Bolgaria, its most important oeighbor, therefore warrants attention. Macedonia's troubles with Bulgaria, Greece and Serbia have involved what outsiders might call trivial issues, but issues which have been central to the national claims of all the peoples involved. Their resolution is an essential step

forward in Balkan affairs. Macedonia was part of Tito's

geopolitical Weltanschauung: Whatever elects Bill Clinton

and protects him from crit-

icism is good for national se-

curity. Accordingly, his spin control will be: The initial breach happened in the '80s,

Besides, goes the White House line, when a Berger flunky asked for a quickie

CIA "alternative analysis" of

the suspicions of the Energy

Department's Notra Trulock,

that whistleblower's warning

was derogated as merely "a

Not yet denied, but likely to

be unless witnesses were

present, is The Times' ac-

count that Mr. Trulock "was

ordered last year by senior of-ficials not to tell Congress

about his findings because

critics might use them to at-

tack the administration's

China policies, officials

said." For spilling the beans,

nub of it. Yanked to a com-

plete turnabout on trade policy

with China by the Riady fam-

ilv and other heavy campaign

contributors in the satellite

and computer businesses, Mr.

Clinton did not want Congress

- empowered by law with oversight of intelligence - to know what the FBI and the

CIA and the Department of Energy suspected about Chi-

na's spy in Los Alamos.

Although aware of the dangerous spying, Mr. Clinton still insisted that regulation of the transfer of sensitive technology

be controlled by his sell-'em-

anything Commerce Department. He delivered for China.

Will Congress now protect the interests of the United States?

The New York Times.

Now we are getting to the

Mr. Trulock was demoted.

so hlame Reagan, not us.

Yugoslavia, considered an an- hostile to the other, and noted tonomous state and distinct nationality. As the Yugoslav federation began to come apart in the late 1980s, the Macedonians elected a oon-Communist government for their republic. A year later, in 1992, they declared independence.

Greece contested the claim of independence, insisting that the name Macedonia historically denoted a part of modern Greece, and that the Macedonians' claim to international recognition under that name implied an irredentist claim on Greek Macedonia.

This produced a tedious but venomous quarrel. The current government of Greece has backed away from the argument, encouraged to do so by the other members of the European Union and by the United States.

The ocw Macedonia's other major problem, a long-standing one, has been with Bulgaria, now has become an important which in the past claimed Macedonia. A reciprocal problem concerned Macedonia's claim to represent what it said was an oppressed Macedonian minority inside Bulgaria. A third dispute, heavy with nationalist significance, concerned whether Bulgarians and Macedonians

speak different languages. On Feb. 22, the Bulgarian and Macedonian governments signed a joint declaration in Sofia meant to put an end to "the artificial problems between our two countries."

Prime Ministers Ljubco Georgievski and Ivan Kostov renounced territorial and nationality claims upon one another, declared that neither government would allow its territory to be used by groups

that the common language of the document they signed was "Bulgarian, in accordance with the constitution of Bulgaria, and Macedonian, in accordance with the constitution of the Republic of Macedonia."

They concluded that they had thereby 'found a way to speak in the language of a united Europe." Both governments have now aligned themselves with the progressive European currents in the region.

The agreement's promise of enhanced stability for Macedonia counters fears that Kosovar independence would destabilize the country. A Bulgarian commentator has observed that the NATO troops now in Macedonia "are expected to remain in one form or another, since Macedonia, oot Kosovo, is at the heart of Balkan politics" and "Bulgaria

artery sustaining that heart." This makes a subtle alteration in the terms of the Kosovo negotiations, which are to resume in France in mid-March. Kosovo's independence, if and when it can be negotiated, will not be quite so dangerous as it seemed before.

With Macedonia stabilized, in the international dimension of the threat is greatly reduced. This would also be true in the more dangerous circumstances of Serbian intransigence and war by the Kosovo Liberation Army to free its country. Neither prospect is a bright one, but what happened in February in . Sofia has made them rather brighter than they were before.

International Herald Tribune. Los Angeles Times Syndicate.

# IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1899: Events in China

NEW YORK -- The San Franciso "Call" takes this peculiar view of events in China: "There is no occasion for surprise that the Chinese are slaying missionaries. It must be remembered that these good men and women are representatives of the godly nations which are even now scheming to steal China, and are discussing the project with all the candor of a band of burglars."

1924: Political Battle

WASHINGTON --- What at its inception was a proper inves-tigation of the right of a Cabinet officer to lease to private in-terests naval oil reserves, has developed into a political battle in which no reputations are safe and even the members of the Senate are powerless to stop the allegations. Former Secretary of Interior Fall and Attorney-

General Daugherty are merely pawns in the game: the stake is the presidency. The attacks upon public officials in high posts are intended by Democrats to gain political capital rather than being well-founded accusations of conspiracy.

1949: Hollywood Woes PARIS - Uotil recently press releases from Hollywood con-cerned themselves with Betty

Grable's legs and Errol Flynn's fisticuffs. This communique concerns itself with its business woes. With movie people crying in their swimming pools and producers stating "All we have to fear is fear itself," the industry is undergoing a change. It is at a loss as to where it stands with television. Few pictures can be made so cheaply and when television networks span the country ...? Hollywood's wonderful era of nonsense is about to come to an end.

للكذامن الله مل

The beginnings of this future are on display in Rockville, Maryland, where biotech companies are sprouting like

Mr. Haselfine's company, Human

Genome Sciences, operates a robot-

driven assembly line there - which

makes the old biology lab look as dated

once laborious job of identifying (or "sequencing") strands of DNA. A few

years ago, the first generation of these

machines could analyze 36 lanes of

DNA, two times a day. This generation

can handle 96 lanes, four times a day.

The next generation, still packed in

wooden crates in the lab, will double or

triple that speed.
Human Genome Sciences has tested

In one wing, rows of machines do the

cultures in a petri dish.

as a coach-and-hoggy shop.

sia and Chik

# Science Is Warming to Intimations of Immortality

WASHINGTON — What will people die from 100 years from now? If you think that is a simple question, you have not been paying attention upper limits will be sharte to the revolution that is taking place in kinds of medical therapy.

cidents, murder or war," said William time between 2050 and 2100, medicine Haseltine, chief executive of Human Genome Sciences Inc., a local biotechnology firm. He said that with the tools of "regenerative medicine" that will become available in the 21st century, the human body should last a very long time. Today's leading killers - heart disease, cancer, Alzheimer's and the "aging pro-cess" itself — might become distant memories of the species.

In discussions of technological change, the Internet gets most of the attention these days. But the transformation beginning in medicine could be the real technological event of our era.

Take the question of mortality, surely the primary concern of humankind since our brains developed the ability to contemplate our eventual demise. Until recently, scientists were sure that our basic cellular material eventually would wear out. Whatever advances might come in the treatment of cancer or heart disease, it was thought, this cellular life span could not be stretched much beyond 120 years.

By David Ignatius

But Mr. Haseltine and others say these in chips that will be built like neurons. upper limits will be shattered by new

biotechnology.

Take our basic organs, such the heart, liver, lungs and brain. Sometime between 2050 and 2100, medicine will have advanced to the point at which every 10 years or so, people will be able to take a regenerative dose of "stem cells" that can restore the various organs. These stem cells, the basic building blocks of life, will build

new heart and lung cells.

"We will molt like lobsters," replacing tired old cells with vigorous new ones, predicted Mr. Haseltine, a prominent scientist who once headed the biochemical pharmacology lab at Dana-Farber Cancer Institute in Boston.

If something ones wrong with one of

If something goes wrong with one of our organs despite these stem-cell cocktails, then 21st century medicine will repair or replace the damage.

Today we implant chunky artificial knees and hips, but by late in the 21st century we will be able to fabricate replicas of human organs, using biocompatible materials engineered down to the tolerance of a single atom. The list of these microprosthetic devices runs from artificial veins to eardrums and retinas - even to artificial memory, stored

cells, to see which ooes trigger action in particular kinds of tissue.

On the day I visited, it was testing the signalers against dendritie cells, sentinels for the body's immune system. It will take a week to test all 12,000, and when they are done, the scientists will know which ones stimulate the immune system - and thus will have new leads for possible drugs.

Using this automated discovery process, Mr. Haseltine's company has produced three potential drugs that star-ted clinical trials a year ago. One helps protect bone marrow cells from the effects of chemotherapy; another helps skin and other tissue recover quickly from burns, wounds or chemotherapy, a third helps regenerate blood vessels.

All are based on the body's natural repair mechanisms. Even if the trials are successful, the drugs will not be available commercially for another

about 2 million gene fragments and from these has isolated what it believes two to four years. It is at once exhilarating and horare about 120,000 different genes, which rifying to imagine that science may be are stored in forbidding gray freezers.
Of these, about 12,000 appear to be critical "signaling molecules" that stimulate other cells to grow, change altering this most basic condition of human existence - senescence. Many technical obstacles would still have to be crossed on the way to this amazing future, but Mr. Haseltine may be right or die, and thus have special value as when he says, "This is the first time we The company now is testing these 12,000 signalers against other kinds of can conceive human immortality."

The Washington Post.

### LETTERS TO THE EDITOR

potential drugs.

### Sharing Timor's Burden

Regarding "Toward Democratic In-donesia and a Viable East Timor" (Opin-ion, March 4) by Donald K. Emmerson: Mr. Emmerson seems to believe that

East Timor. He may be right that President B.J. Habibie of Indonesia "should have no illusions that Washington is eager to shoulder the burden of sponsoring the independence of East Timor." But some other countries, instead, are the United States is the only actor that eager to do so, and have no wish for the

First on the list is Australia, Despite its longtime ambiguity regarding East Timor, Australia has now made it clear that it wants to be involved in the territory's inevitable transition. It will only do what benefits its trade with Indonesia and East Timor, but if this involves sponsoring East Timorese indepen-dence, then it will do so. can play an important role in the future of burden to fall on the United States.

The other obvious one is Portugal. Eager to close the deep wounds left by its colonization, Portugal is keen for East Timor to become a democratic, prosperons island with close ties to Portugal. This has become a realistic prospe-

More governments can be added. The foreign ministers Lloyd Axworthy of Canada and Don McKinnon of New Zealand have expressed interest in helping East Timor's transition. To a lesser extent, support can also come from Brazil. South Africa and even the Philippines. Finally, it should be added that East Timor is largely Catholic, which will mean greater solidarity from Catholic nations worldwide and from the church. MAURIZIO GIULIANO.

### A Perplexing Acquittal

Shame on the U.S. military establishment and justice system for its acquittal of Captain Richard Ashby in the negligent death of 20 skiers while performing some sort of "Top Gun" machismo in the Italian Alps. Had there been Americans in that cable car, it is certain be would have been found guilty of some crime involving manslaughter.

As an American, I am sure to feel some degree of shame and embarrassment when I go skiing oext week in the Dolomites, not very far from Cavalese, where the accident occurred.

MICHAEL HIRSCH.

### The Banana Playing Field

Perhaps there is a pragmatic solution to the U.S-European Union banana

Why cannot the EU channel funds to the Caribbean consortium of banana growers for onward transmission to the Democratic and Republican

parties' campaign funds? Then, on the level playing field thus established, competition with the banana producers and distributors favored by the United States could take place in the open, and "market forces" could take their course.

MICHAEL GARRETT.

# Blame the Swelling Portions For Expanding Waistlines

By Ellen Goodman

BOSTON — It is breakfast time up for the cardiovascular kill. If food and I am staring a bagel in the is a growth industry, we are already face. This is not your father's bagel. This is not the bagel your forebears atc in New York. This is The Bagel That Ate New York.

How did I hold my tongue about the saga of the Incredible Expanding Bagel? Was I too focused on the multicultural, ecumenical takeover of this ethnic item? For over a year, I have

### MEANWHILE

been grumbling at the chocolate chip bagel, the jalapeño bagel, the honey-wheat-cheddar-cheese-blueberry bagel - concoctions that would make my ancestors roll over in their graves. But then of course, they were thin enough to do so.

The breakfast before me, however, is a bagel on growth hormones. It has beft and girth. It does not weigh in at the government-certified 2 ounces (56 grams) accorded its species, but rather at 5 ounces. In fact, it has added relatively more to its diameter than I have added to mine.

Forgive:me for this anti-bagel rant. But it occurs to me oow that my rotund breakfast — thank God for the hole in the middle — is not the only food that has been growing before my

In America's food world, less is now measurably more. At the movies, the small popcorn box of my childhood has trip! d into the large hag that is now labeled small. The 6-ounce bottle of Coca-Cola, circa 1916, has grown up to be a 12-onnce Coke. The 1-onnce Hershey bar now comes out of the vending machine 50 percent heavier.

Any American who eats out - and a third of all meals in the United States are now out of the house - can tell yon that the appetizer is now the size of an old main course. At McDonald's, the small order of french fries is the size of the original large. At my favorite coffee shop they have eliminated small and medium altogether, so that the dialogue with the server

sounds like a comedy routine: "I'd like a small latte, please."

"One tall coming up."
"No, a small."
"Tall is small."

"Tall is small?"

'Yes, medium is grande!" What is going on here? We do oot have: to be entirely paranoid to wonder if we are being fattened

Before the era of the Incredibly Expanding Food, one in four Americans was overweight. Now it is one

in three. Lisa Young, a nutritionist at New York University, said that people's perceptions were changing in propor-

tion to portions. Ms. Young had a class of students bring in what they thought was a 'medium'' potato, a medium apple,

a medium muffin and, yes, a medium bagel. Their "medium" dwarfed the U.S. Agriculture Department's definition of medium. The bigger-is-better theory of mar-

keting is oot all that complicated. It is about selling more food. If you give more, you can charge more. Most of the cost of a soft drink is in the label and bottle. By now Americans are convinced of the value of the 'giant economy size." So convinced that re-search shows they buy "two for \$1" even when one is 50 cents.

Marion Nestle of New York University offered up the imderlying secret: "We greatly overproduce food. The American food supply provides an average of 3,800 calories for every man, woman and child on a daily basis." But most of us do not need much more than 2,000 calories. You do the math.

The doggie bag is now a staple of restaurant dining. But when we buy giant ecocomy size, we do actually eat giant ecocomy size. Last year, an Illinois researcher had parents go home with videos, popcorn and M&Ms. The people who got the onepound bag of candy ate 112 M&Ms, the people with the two-pound bag ate 156 M&Ms. They all ate half the popcom whether it was the huge "medium" or the gargantuan "jumbo."

So my giant bagel is a value on the same scale as buying a larger dress because you get more yardage for the dollar. The only difference is that at this rate, the larger dress will fit.

No, 1 will oot join the people who think America should have a higher tax on junk food, though perhaps a graduated food tax would be appropriate with a sliding scale from supercolossal to merely tall. I will hold that thought until the magical moment my bagel reaches dinner plate proportions.

The Boston Globe.

th Central," "Boyz N the Hood"

### LIVING FOR THE CITY

By Jervey Tervalon. 190 pages. \$13. Incommunicado Press.

Reviewed by Ricardo Cortez Cruz A LTHOUGH these 23 linked stories
A are fiction, "Living for the City"
seemingly fakes oothing. It is serious in
documenting the certainty that a New
Jack City, a crime-riddled "darktown,"
exists in every major U.S. metropolis.
Jervey Tervalon intelligently anacks
the myths concerning sheltocentricity

the myths concerning ghettocentricity and shows that, contrary to what many black rap artists say, it's not "all good" in the 'hood. The book follows a young clique of intense knuckleheads, gladiators, chumps, punks, hoodlums, young fathers, rebellious sisters and a slew of other lazy homeboys. Raised in South Central Los Angeles like his characters, all of them justifiably raging about something, Tervalon reaffirms our suspicions that maybe it takes somebody like a brother from the street to expose the unsafe world beyond home. With its concise, unflinching depiction of the rise of gang-parisons. The black gangster films ington Post.

gers and how the promise of increased drugs and violence altered the course of and "Menace II Society" come to mind,

**BOOKS** 

are 1960s, a period doesn't mean that Tervaloo's tales lack originality or exude cheesy Hollywood sentimentality. A host of disturbing subplots keeps the writing fresh, the narrative uncompromising and the pages hot and turning. The book also contains its fair share of showdowns, and a harsh depiction of the effects of unrequited love. These stories hit hardest at a logical level. Try require brothers corrupting. The street gang known as the Crips, sporting a colorful membership of 'regular brothers transformed into gangsters,' has become an epidemic, a short, sacrificing force for the cohesion gangsters," has occurred a final or mind-control disease to be afraid or "Like in 'Night of the Body Snatchers,' kids started converting," Garvey says. 'It was inevitable, or so it seemed, that for through are right on target with reality, and that makes "Living for the City" a triumph.

Ricardo Cortez Cruz, the author of two novels, wrote this for The Wash-

### **CHESS**

By Robert Byrne

IN RESPONSE to criticism that his chief strength in chess is openings research, in which be is helped by a team of grandmasters, Garry Kasparov stated that his forte is not in openings but in middle-game tactics. To prove his point, one has only to look at his tour de force against the Bulgarian grandmaster Ve-selin Topalov in Round 4 of the Hoo-

goven International Tournament in Wijk-aan-Zee, the Netherlands.

Kasparov did not do well in the opening. Despite his having White and the advantage of moving first, he got nowhere. But then be conjured up a shower of arrows to engulf his opponent. It is one of the most scintillating sames of recent years. games of recent years.

The Classical System offshoot against the Pirc Defense that Kasparov was setting up with 6 f3 was nicely met TOPALOVELACK

Position after 36 ... Rd2

by 6...b5; any thought by White of aggression in the center would find Black ready for a queenside counterattack.

Topalov had wisely delayed castling on the kingside, so Kasparov's 8 Bh6 Bh6 9 Qh6 had little effect. After 13...O-O-O, the black king was safe on

After 21 Rhel, Topalov could have shown that Kasparov's opening play had gained no advantage for White and was thus a failure. Thus, 21...de 22 fe Ne4 23 Rd8 Nc3 24 bc Qd8 25 Qf7 Kb8 26 Qf4 Ka7 27 Qf7 Ka7 will produce perpetual check. But be went for more with 21...d4, unwittingly unleashing Kasparov's tactical genius.

Topalov had not calculated the al-most incalculable 22 Nd5! He saw enough to back away from 22...Nfd5? 23 ed Qd6 24 Qf7 Kb8 25 Re6 Qc7 26 Re7 Nd7 27 Nc6 Bc6 28 dc Qc6 29 Bd7, which wins a piece. But after 22...Nbd5 23 ed Qd6, he surely had not imagined

that Kasparov's amazing rook sacrifice, 24 Rd4!, was in the offing. Refusing it with 24...Bd5 25 Qd6 Rd6 26 Rd3 c4 27 Rde3 Kb6 28 b4 cb 29 Nb3

26 Rd3 c4 27 Rde3 Kb6 28 b4 cb 29 Nb3 was the correct course, but Topalov, unaware of the depth of the danger, snapped up the rook with 24...cd?

With 25 Re7!, Kasparov offered a second rook, but this one was also hands off: thus 25...Qe7? 26 Qd4 Kb8 27 Qb6 Bb7 28 Nc6 Ka8 29 Qa7mate. And after 25...Kb8 26 Qd4 Nd7 27 Bd7 Bd5 28 c4! Qe7 29 Qb6 Ka8 30 Qa6 Kb8 31 Qh6 Ka8 32 Be6 Be6 33 Ne6 Rd7 34 Ne7 Re7 35 Qb5, Black loses flatly.

After 25...Kb6 26 Qd4, Topalov could oot hold out with 26...Qc5 27 Qf6 Qd6 because of the lovely, lethal 28

Qd6 because of the lovely, lethal 28 Be6! Bd5 29 b4! Ba8 30 Qf7 Rb8 31 Bb3 Rf8 32 Re6 Rf7 33 Rd6 Kc7 34 Ra6 Re7 35 f4, with a winning knight-plu -three -pawns for a rook.

After 29 Ra7!, defense by 29...Rd6 is, exploded by 30 Kb2! Qd4 31 Qd4 Rd4:

Instead of 30...Qc4, a more subtle defense would have been 30...Rhe8 31... Rh6 Ra8, but the incredible 32 Bf1! 32...Nh5 33 Rd6! Re1 34 Kb2 Qe5 35 Rd4! permits no defense to the threat of 36 Qb3! Thus, 36...Qd4 37 Qd4 R2c8 38 Od3 ends it.

After 31 Qf6, Topalov might have tried 31...Rd1 32 Kb2 Ra8 33 Qb6 Qd4 , 34 Qd4 Rd4 35 Rf7 Rd6 36 Rd7! Rf6 37 f4 a5 38 c3 Ra86 39 Bg2 Rfe6 40 Bf3 Radó 41 Rdó Rdó 42 Be4! forces a

winning king-and-pawn ending.

Kasparov's 33 c3! started a virtuoso finish to his amazing attack. After 33...Kc3 34 Qa1 Kd2 35 Qb2 Kd1 36 Bf1! Rd2 37 Rd7!, the last bit of fight

had gone out of Topalov.

After 44 Qa7, he gave up his hopeless

LING DEL CHOR				
White Kasp'ev	Black Topulov	White Kasp'ov	Black Topalov	
1 64	<b>d6</b>	23 ed	Qd6	
2 d4	Nff	24 Rd4	cd	
3 Nc3	<b>g</b> 6	25 Re7	Kb6	
4 Be3	Bg7	28 Qd4	Ka5	
5 Qd2	c6	27 b4	K24	
6 13	b5	28 Qc3	Qd5	
7 Nge2	Nbd7	29 Ra7	Bb7	
8 Bb6	Bxh6	30 Rb7	Qc4	
9 Qhe	Bb7	31 Qf6	R23	
10 a3	<b>e</b> 5	32 Oa6	Kb4	
1t 0-0-0	Qe7	33 c3	Kc3	
12 Kbt	26	34 Qal 35 Qb2 36 Bfi	Kd2	
13 NcI	0-0-0	35 Ob2	Kdt	
14 Nb3	ed	36 BN	Rd2	
t5 Rd4	c5	37 Rd7	Rd7	
t6 Rdt	Nb6	38 Bc4	bc	
t7 g3	КЪ8	39 QhB	Rd3	
18 Na5	Bas	40 Qa8	c3	
t9 Bh3	ď5	41 Oa4	Kel	
20 Qf4	Ka7	42 14	15	
2t Rhet	d4	43 Kct	Rd2	

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### INTERNATIONAL

# **Gaffes Force** High Official To Resign In Japan

By Sonni Efron

TOKYO — Accused of abusing power, making intemperate remarks and bending the law as a favor to the American movie star Arnold Schwarzenegger, Justice Minister Shozaburo Nakamura resigned Monday to spare his boss fur-

He was the second member of the cabinet to resign under a cloud since Prime Minister Keizo Obuchi took of-

[An apper house lawmaker, Takao Jimouchi, was sworn in late Monday as Mr. Nakamura's replacement, a Prime Minister's Office official said, Reuters reported. "I deeply recognize the importance of my job during these harsh times for Japan and other nations and will try my best for our country's prosperity and development," Mr. Jinnouchi said in a statement.]

It has become something of a Japane tradition for cabinet officials to be forced out for making statements offensive to Asian neighbors, and Mr. Nakamura's troubles began in January when he called no Japan to revise its pacifist constitution and create a full-fledged military.

Although many conservatives share that view, the remark by a cabinet-level official startled the Foreign Ministry, whose job it is to soothe fears in China, South Korea and elsewhere that Japan intends to remilitarize.

At an official New Year's party Jan. 4, Mr. Nakamura attacked U.S. economic and trading practices as unfair.

When other countries start winning under America's free-market economic system, nuclear bombs and missiles start flying," he said.

The opposition has been watching Mr. Nakamura ever since, and allegations of wrongdoing trickled out steadily in the Japanese media.

The most sensational of these alleged

gaffes dates from October, when Mr. Schwarzenegger flew into Osaka on a private plane and was allowed to enter the country without a passport. The star said his passport had been stolen. No evidence has been made public to suggest that Mr. Nakamura personally approved the admission. But ministry documents on the matter disappeared for months, prompting speculation that the minister, who admitted in Parliament that he and his family are big fans of Mr. Schwarzenegger's, had pocketed them as a souvenir.

Mr. Nakamura is also alleged to have vestigation of a resort under development on Ishigaki Island. The resort might have of existing drugs, he said. posed a competitive threat to a nearby hotel in which the minister had invested



HERE COMES THE BRIDE - Helpers leading the way during a wedding ceremony in Cambodia for Prime Minister Hum Sen's daughter, Hun Mana, and Moeung Kompheak, son of a Defense Ministry general.

## **FOOD:** Alarms Sounds on Antibiotics Use

Continued from Page 1

antibiotics produced every year in the United States, about 40 percent is given to animals, mostly as feed additives to promote growth.

On one side, the drug and agriculture industries say the Food and Drug Administration is going too far toward restricting access to antibiotics, which they insist are essential to produce safe and affordable meat and poultry. The icans oeed a prescription to get the industries also say the proposed rules drugs, farmers can buy many of them will make drug development, already over the counter in feed stores.

difficult and expensive, even more so. On the other side, public-health and consumer advocates, as well as some scientists, say the agency is not going far enough, because antibiotics are a precious medical resource that should not be squandered to fatten animals.

On Tuesday, a coalition of 37 groups, led by the Center for Science in the Public Interest, a nonprofit group in Washington, will petition the FDA to separately rule that if a drug is used to treat diseases in people, it can no longer be given to animals as a growth promoter.

Dr. Stephen Sundlof, director of the

center for veterinary medicine at the FDA, said the agency was acting now because the nation is in a vulnerable period, with no new classes of antibiotics expected to come onto the market contact with an animal carrying a disabused his authority by ordering an in- for several years. That makes it all the more important to preserve the potency

· The petition by the Center for Science kill the bacteria. The infection may be in the Public Interest and other groups difficult or even impossible to treat.

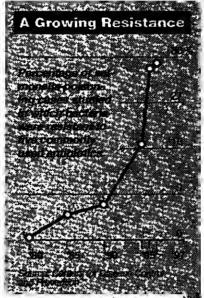
lead of Europe, where antibiotics used to treat people cannot be given to animals to promote growth. They were given to livestock in the past, but the European Union banned the practice on the recommendation of the World Health Or-

In the United States, however, 6 of the 17 classes of antibiotics given to animals for growth promotion are also used to treat sick people. Even though Amer-

Dr. Sundlof said that it was beyond the authority of the FDA to pass a blanket ban like the one the advocacy groups wanted.

Dr. Stnart Levy, director of the Center for Adaptation Genetics and Drug Resistance at Tufts University in Boston, said that he did not think it was necessary to ban all antibiotics for growth promotion. But he also said: "I would very rapidly remove burnan antibiotics from growth promotion. The U.S. has to join the European Union on that."

Many scientists believe that giving low doses of antibiotics to animals over long periods brings out resistance. Scientists say that resistant bacteria from animals can make people sick in several ways. A person can become ill from ease-causing resistant germ, or from handling contaminated meat or eating it when it has not been cooked enough to



may themselves be harmless, but live on in the gut and cause trouble later by passing their genes for antibiotic resistance to other bacteria, ones that cause disease. Or, if a person's immune system is weakened by illness or chemotherapy, the otherwise harmless bacteria can turn

At the Centers for Disease Control and Prevention, researchers said they had been detecting increases in the levels of drug-resistant bacteria found in people with gastrointestinal illness from the microbes salmonella and campylobacter, which are most commonly contracted

# Clinton Opens 4-Day Trip To Rally Central America

MANAGUA -- President Bill Clinton opened a four-day visit to Central America in Nicaragua on Monday to survey the devastation left by the hur-ricane designated Mitch and promote stable democracies in a region once shattered by civil wars.

When Air Force One landed on a warm, windy morning at Angusto Cesar Sandino International Airport, Mr. Clin-ton became the first U.S. president to visit Nicaragua since Lyndon Johnson in

Hillary Rodham Clinton had been expected to accompany the president on the trip but remained back in Washingtoo because of back trouble. The first lady visited Central America in November to observe the hurricane damage.

During a red-carpet arrival ceremony on the tarmac, Mr. Clinton was greeted by President Arnoldo Aleman. Schoolchildren in crisp white shirts and dark blue skirts and trousers lined

the red carpet holding op U.S. and Nicaraguan flags in the breeze. After the ceremony, Mr. Clinton flew

by Marine One belicopter to Posoltega, 75 miles (120 kilometers) northwest of Managua, near the site of the single worst disaster spawned by the hurricane. A coovey of nine belicopters made up

the presidential entourage.
On Oct. 30, after days of torrential rains, an enormous wall of mud rolled down the side of La Casita Volcano with a sound that residents thought was an approaching fleet of helicopters. It en-guifed the communities of Rolondo Rodriguez and El Porvenir, killing about 2,000 people and leaving thousands

The United States has already spent \$305 million for recovery in the region following the storm, and the administration is trying to push through Congress another \$956 million.

Mr. Clinton brought about \$25 million more in aid with him, funds that

were already in the State Department budget. The outlay included \$10.6 million to improve health care, \$12.5 million to rebuild schools and help the education system and \$1.5 million to temporarily shelter 4,000 people. Another \$1.8 million will be used to help regional efforts to dismantle land mines.

Throughout the trip, Mr. Clinton will highlight Washington's efforts to aid Central America in what U.S. officials say is the largest response to a foreign natural disaster in U.S. history. The assistance includes \$600 million in debt relief for Honduras and Nicaragua and a package of trade benefits that the president proposed Thursday to offer easier access to the U.S. market.

U.S. officials said Mr. Clinton also planned to hail the democratic transformation in the region over the past decade after the bloody civil wars of the 1980s. The United States had supported rebels known as contras who tried to overthrow the Sandinista government in the 1980s.

On Tuesday, Mr. Clinton will visit a

ters for the 5,600 U.S. troops helping with the post-storm recovery effort. He will spend Wednesday in El Salvador and complete his trip by attending a summit meeting of regional leaders Thursday in Guatemala.

One issue sure to come up at the summit meeting is immigration. Washington announced Friday that it would resume deporting illegal immigrants from El Salvador and Guatemala.

### BRIEFLY

### A Moderate Wins El Salvador Vote

SAN SALVADOR - A moderate from El Salvador's ruling rightist party won the presidential election in the first round on Sunday, avoiding a run-off with a former leftist guerrilla chief, elec-tion officials said early Monday.

With 94.47 percent of the vote counted, Francisco Flores of the National Republican Alliance was de-clared the winner in a field of seven candidates with 51.96 percent of the votes, the election board reported.

Even with the votes left to be

counted, that margin assured him the 51 percent needed to claim victory outright and avoid a second round of balloting on April 18 in this country, which is still struggling to heal wounds from decade of civil war, officials said.

## U.S. Planes Strike Iragi Radar Sites

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ANKARA -- U.S. warplanes taking off Monday from the Incirlik base in southern Turkey bombed fraqi radar sites in the northern "noflight" zone that had posed a threat to the patrolling aircraft, a statement released from the base said.

"Responding in self-defense, U.S. Air Force F-15E Strike Eagles dropped GBU-12 laser-guided bombs on several Iraqi anti-aircraft. artillery sites around Saddam Lake," the statement said, without elaborating on the number of planes involved or the bombs dropped.

(AFP)

# Cuba Opens Trial In Hotel Bombings

HAVANA --- A 27-year-old Salvadoran who confessed to a string of 1997 hotel bombings intended to damage Cuba's growing tourism in-dustry went on trial Monday, charged with U.S.-backed "terror-

"I want to make public my absolute repentance and repulsion for these acts," Ranl Emesto Cruz Leon, choking on his words several times, told the court after the charges against him were read.

In a 10-minute address, Mr. Cruz asked for forgiveness. An Italian tourist was killed by flying glass in one attack. (Reuters)

### For the Record

Sixteen Algerian soldiers were killed and 21 wounded in an ambush southeast of Algiers, newspapers and witnesses said Monday. (AFP)

# U.S. 'Moved Vigorously' on Nuclear Leak

Among the subjects stamped secret Gonchar said Russia's foreign currency age the bank's use of hard currency re-

questions submitted in writing by The I should know it, according to the Washington Post, saying that it would have no comment until another audit has At the center of the controversy is the

central bank also has been involved in several disputes over its independence lawyer could crack open in an after-and autonomy. One issue has been noon," said Eric Kraus, head of fixed-

whether - and how much - the bank income securities for Dresduer Klein-

should share its financial gains with the wort Benson, an investment firm here.

promise law, half the bank's profits were the heart of Russia's economic woes. have been illegal.

WASHINGTON - The Clinton administration said Monday that a leak of ouclear secrets to China in the 1980s did serious damage but denied accusations that it softened its response to avoid damaging relations

with Beijing.
"We doo't know the extent of the full damage," Energy Secretary Bill Richardson said. "It is serious but the orously." He was referring to the nu- some very vigorous measures.

Continued from Page 1

served a previous term when the off-

shore network was started, has classified

as a state secret parts of a report on the

central bank's activities prepared by the

Anditing Chamber, a parliamentary in-

vestigating body.

Among the subjects stamped secret

serves, its payroll, its pension fund and

its use of IMF money.
The central bank refused to answer

. The Russian Central Bank is a power-

ful, largely autonomous institution that

has played a key role in the successes and

failures of Russia's struggle to establish a market democracy. After the Soviet Union's collapse in late 1991 and the end

of price controls in 1992, hyper-inflation gripped the country, fueled in part by

easy credits from the central bank during

Later, it reversed course under Sergei

Dubinin and played a key role in bringing

adown inflation, although critics said he was too rigid in 1998 when a devaluation crisis loomed. Last Aug. 17, Russia de-

valued the ruble and defaulted on its

domestic debts, triggering the worst eco-

The central bank has potent tools for

nomic crisis since the Soviet collapse.

influencing the economy, including buy-

ing and selling government bonds, and

setting foreign currency exchange rates

and interest rates. Moreover, the bank

holds a majority share in Sherbank, the

state savings bank, and controls parts of

Aside from its economic policies, the

government. Under an April 1995 com-

other former Soviet state banks.

Mr. Gerashchenko's first term.

been completed.

clear laboratory in New Mexico.

Mr. Richardson denied charges by Republican members of Congress that the administration failed to react decisively after discovering in the mid-1990s that ooclear weapons secrets had leaked to China in the 1980s.

'No, we have moved vigorously. the president, the national security adviser, the FBI, when we learned of Richardson said. "It is serious but the these damaging allegations," he said FBI and our law enforcement people in an interview with CNN. "We inat Los Alamos are pursuing this vig-vestigated. We now have in place

RUSSIA: Audit Shows Huge Sums Sent Offshore by Central Bank

to be turned over to the government.
But the central bank is being accused.

of bypassing the agreement. Nikolai Gonchar, an independent member of the

lower house of Parliament, the State

Duma, and a member of its budget com-

mittee, has charged that the central bank

hid profits from the government. Mr.

offshore firm Financial Management

Co., known as Fimaco, which handled

Russia's foreign currency reserves. Its

existence was revealed in a letter that the

chief prosecutor, Yuri Skuratov, sent to

Parliament on Feb. 1, followed imme-

diately by his abrupt and still unex-plained resignation. The firm was set up

in 1990 in Jersey, Channel Islands, ac-

cording to registration documents

charges although former central bank officials have defended it.

Firnaco has not responded to the latest

Mr. Dubinin, the former bank chair-

man, and his deputy, Sergei Alexashen-ko, have claimed in an open letter pub-lished here that the offshore haven was

needed to protect the currency reserves

their currency reserves abroad in safe securities or bonds of other countries.

But it is highly unusual for a country to

turn over its reserves to a small, bittle-

known management company.

"If you are going to shelter central bank assets, you don't set up a Jersey

It is not unusual for countries to park

against seizure in a legal dispute.

then the profits disappeared.

# U.S. Offers Missile-Monitoring Data to Gulf Allies

ABU DHABI - Defense Secretary and said be had offered to share U.S. monitoring of any Iranian and Iraqi missile tests with six Gulf allies.

Mr. Cohen, emerging from talks with the Pentagon could establish receivers in will see it as being in its interests to have the Emirates, Saudi Arabia, Kuwait, that information." Oman, Qatar and Bahrain to receive U.S. satellite and other intelligence monitoring information on missile tests in the but that Mr. Cohen had made offers to

Many Russians and overseas investors

have been reluctant to keep money in

Russia because of legal, political and economic risks. This has given rise to a

debilitating flight of capital, which many experts have identified as one of Rus-

According to the internal documents,

the central bank initially set high standards for Fimaco's investments in West-

em currencies — specifying the amount to be put in dollars, French francs,

The internal document concludes:

There is a lack of control over

Fimaco's administrative and financial

activity from the central bank. The cen-

tral bank does not have at its disposal

information about the sharebolders of

Fimaco. In reality, the central bank did

not exercise control over the quality of

management of the currency reserves

Russia's currency reserves that Fimaco handled. Mr. Dubinin said it never ex-

ceeded \$1.4 billion at any given time. The prosecutor said it was \$37 billion

over five years. Russia's gold and for-

eign exchange reserves now stand at about \$11.4 billion, down from a peak of

\$24 billion in mid-1997, before the glob-

The internal documents raise ques-

They conclude that profits must have

been earned, but it is not clear where they

went. Some may have remained at

Fimaco, but the central bank's records

'lack data' about the use of the profits,

The internal documents also confirm

a charge leveled by Mr. Gonchar that the

foreign currency reserves of the central

bank were channeled into Russia's high-

yielding, short-term government bonds,

tions about what happened to the profits

and interest earned on the central bank's

Questions persist about the volume of

and, in fact, jeopardized them."

al economic crisis.

investments in Fimaco.

the documents say.

The use of an offshore haven goes to known as GKOs, in 1996 when it may

sia's biggest economic problems.

standards were dropped.

"I want to know, what is the real to be put in dollars, French francs, income?" he said. "I do not know it, and Deutsche marks and so on. But later, the

region.
"We would do this with all of the Gulf William Cohen met with the president of states - have a direct link between what the United Arab Emirates on Monday our sensors pick up and then communicate that to them to keep them appraised of ballistic missile testing taking place in the region," the secretary said. he denied what he called local rumors "We think it is beneficial to all of the Sheikh Zaid bin Sultan al Nahayan, said states and we are hopeful that each state

> U.S. officials said that no agreements had been reached for such monitoring

Viktor Gerashchenko, the central

Russia, chronically strapped for cash,

bank chief, speaking in the Duma.

began floating these bonds in 1993. They have often been a barometer of

risk. At times of turnoil, the yields rose

to more than 200 percent annually. For-

eigners originally were banned from investing in GKOs but in late 1996 the

market was opened to overseas in-

Finaco to secretly invest in the bonds

from overseas, which would have been

illegal. According to the documents,

\$855 million was transferred to Firnaco

for investing in the bonds between Feb.

Russian economic crisis because the

government reached a point where the

interest payments were so high that it

about \$50 billion in these bonds.

The bonds later played a role in the

29 and May 28, 1996.

However, before the market was legally opened, according to the internal documents, the central bank was using

vestors.

Saudi Arabia and Oman during visits

The defense secretary, on the fourth leg of a nine-nation Gulf and Middle East tour to discuss security threats from Iran and Iraq, said that in Monday's talks he denied what he called local rumors was "trying to organize or orchestrate a breakup of Iraq."

France has criticized U.S. and British air strikes in the no-flight zones in northem and southern lraq in response to anti-

enforcement across the country," said Gu Xianping, the lawyer. "It is typical: The farmers are victims and don't get protection from the law. We are gradually improving our legal system, but I'm very concerned about why the police thought they could get away with

it is a very serious problem."

Late last year, the government's legal publishing house came out with a new series of books about legal abuses, with titles including "The Crime of Con-fession Obtained by Torture" and "The Crime of Illegal Detention."

The books estimated that hundreds, if not thousands, of Chinese were illegally detained each year and that 250 people were tortured to death in police custody in 1993 and 1994. It was the first time such figures had been publicly released and was an extraordinary admission, even though experts said the true numbers were certainly higher.

Although Westerners tend to focus on speech, Chinese officials know that arbitrary harassment and punishment by local public security officials are far more gripping issues for ordinary people damages for the victims' families. more abstract rights like freedom of government's authority.
So, to help control abuses in its far-

could no longer meet them. The Russian flung law-enforcement system, the cengovernment defaulted on Aug. 17 on tral government has recently allowed

Continued from Page 1

this.

China's state-owned law journals and newspapers now often publish hair-raising exposes of torture and other forms of police brutality, although such stories rarely seep into the mainstream press. But experts say it is significant that such a

delicate subject is raised publicly at all.

"Chinese officials are clearly getting more serious about police and security abuses," said Murray Scot Tanner, a professor at Western Michigan University who has extensively researched Chinese law enforcement. "They know

# CHINA: Trial Illuminates Police Brutality

abuses and lawsnits

But there remains great ambivalence about the new openness, Mr. Tanner said. On one hand it deters wayward police officers, but on the other it fuels criticism by Western human-rights groups. And the desire to provide more even-handed justice does not extend to those who threaten Communistrule, like

democracy activists, he noted.

More than 1,600 kilometers (1,000) miles) from Beijing, on the freewheeling southern coast of Guangdong Province. Zhanlong and its neighboring villages exude lawlessness. In these once-poor rice-growing towns, many villagers have become prosperous in the last five years by reselling fabric, cigarettes and liquor smuggled from Taiwan.

Lawlessness also reigns at the local Public Security Bureau, villagers said where officers are quick to fine, confiscate, detain - and sometimes phys-"Everyone is afraid of the police here

everyone," said a farmer-turned cloth-salesman who gave his surname as Chen. "We all know of the killings." These kinds of incidents have happened a lot here before. The police like to deal on the spot with people they consider

Like most people in Zhanlong, the four men who were killed that night in Angust 1997 were legally registered as farmers but in reality made most of their money in small business—though none was very successful at it. All were between 20 and 35, had grade-school education and and 35, had grade-school educa cation and were married with children. Besides seeking the \$12,000 that each

more gripping issues for ordinary people in China and threaten to undermine the government's authority.

So, to help control abuses in its farfung law-enforcement system, the central government has recently allowed and even encouraged press coverage of and even encouraged press coverage of the cloth salesman, Mr. Chen. "The police, they are bigwigs. We are not. It is hard for me to take the trial seriously."

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ARIS - Catherine Deneuve wore her heart on her shirt — the blood-red pin that Yves Saint Laurent had given her. She sat front row at Monday's show to witness what she called "the crossing of a frontier," as fashion's Sun King handed over to his Dauphin.

as rasmon's Sun King handed over to his Dauphin.

Alber Elbaz, 37, is the new designer of the ready-to-wear Rive Ganche line that was founded 33 years ago. And everyone in the room, from Pierre Berge, Saint Laurent's partner, through the packed fashion crowd, was willing success on the lirach-American designer, with a kooky personality, owlish eye glasses and a mop of curty hair.

Across a metal bridge, past the YSL logo carved like a brickly metallic cactus tree, walked the first model in the Muderale R

Across a metal bringe, past the 151 logo carried had prickly metallic cactus tree, walked the first model in the essence of Yves: the black sweater and pants that the designer famously said are all a modern woman needs. The pants were modernized, the waist cinched with a leather thong.

It was a good beginning. But this was not the auspicious idebut that everyone had hoped for, nor the redefinition of Saint Lament's style for a new generation.
Instead Elbaz, uncharacteristically sober as he took a run-

way bow with a model in a quivering silver minidress, seemed intimidated by the task — and by the 40 years of archives.

When very young models stumbled down the runway in a high, thick-heeled version of Deneuve's 'Belle de Jour's pumps, wearing the knickers that Elbaz brought back from the fashion dead, it looked like a runmage through Mom's closet. Picking out a red fox coat here, a trench coat there and mixing them with modern pieces should have been cute. Yet only a bright-red leather trench or a simple sweater with full fur sleeves (part of a heavy-handed theme) had the pizzazz of fleamarket finds.

"I don't want to do Alber Elbaz for Yves Saint Laurent want to do Saint Laurent by Alber Elbaz," the designer said before the show.

He was all too true to his promise. There was none of the aunty, decorative feel of the designer's Guy Laroche collections. And where others over the years have found a fashion gold mine, Elbaz puzzlingly kept things like stern masculine jackets that might have been relaxed, yet changed the in-imitable Matisse color palette. There was a surfeit of black, although a draft of orange looked fresh as a satin wrap coat and there was clean green, royal blue and speckled black-and-

Where Elbaz lost his master's voice was in the awkwardness of so many of the pieces — far from the YSL mantra of "the silence of clothing." Even seven years at Geoffrey Beene had not given Elbaz mastery of technique.

A new designer needs time to find his feet and Elbaz had

some good ideas, producing a variety of new pant shapes and giving a sporty feel to a full-sleeved zippered jacket. Other less judicious attempts at YSL with a twist included a hard-edged version of the infamous black chiffon see-through blouse.

Why was this show such a big deal? Elbaz is taking over from a designer who has created the template of modern dressing. Saint Laurent's revolutionary androgynous daytime pantsuits and evening tuxedos held up a mirror to changing society as feminists earned a place for women in a man's world.

Elbaz is not required to reprise that revolution --- but he has to parlay the image into a collection of contemporary, com-

mercial clothes — especially since the parent house, Elf Sanofi, has put YSL on the block.

But he may fare better once he has settled down to his As the Paris fall season opened, it was evident that Saint

Yamamoto's romantic coat with Holbein hat.

Laurent's vision is so powerful and enduring that the manwoman thing is still the suhtext of many shows. Yohji Yamamoto played delicately on that theme last season in his poetic parade of wedding outfits. But he faced a problem: When you have had a run of spectacular, playful, poetic shows, what do you do for an encore?

With the finesse and wisdom of experience, Yamamoto drew back, sending out to the gravely voice of Bob Dylan a show that was quiet, quicky and romantic. There were no fireworks, and there was no plot, like his previous take on Dior conture or the naptials theme.

The invitation was a single cuffed sleeve of a white shirt.

worn with long skirts and fresh white cotton shirts. But the models looked far from mannish. With wide, loosely hraided hair and smudged lipstick, they looked as though they had been caught kissing the boy next door.

Romance soon came center stage, as Yamamoto's favorite Victorian imagery brought off-center capes, cloaks and dresses in rich, dark velvets, perhaps wom with flecked wool sweaters to ground them in modernity. The finale had six models in squashy velvet hats like something from a Holbein portrait. Alexander McQueen, one of several designers paying homage to Yamamoto, described them as "Elizabethan Gothic." It looked more like a charming remake of "The Piano"

by the cast of "Shakespeare in Love." If you have learned alongside a fashion maestro, how do born designer based in Munich who worked for seven years embroidery gave a merry folkloric feel to a collection he with Helmut Lang, is struggling to find his own voice. His described as "rustic chic."

show, held in the faded gilt rotunda of one of Paris's old music halls, looked like a dance class in progress -- often that familiar male-female pas de deux. Out would come a tailored camel jacket or pantsuit, worn with a rihboned wrap top or a sheer crinoline skirt like something from a Degas painting. Soft leather sock-boots enhanced the balletic feeling. Many of the ideas, especially the athletic nylon pants, the mesh tops, the satin elbow patches and even the drifts of

tulle seemed familiar from Lang's runway. But Murkudis

has time to grow. Eric Bergere has never concealed his fascination with Saint Laurent. So it was perhaps inevitable that he should be inspired hy a moment of fashion history in the 1970s when the Russian peasant look hit haute contine. Bergere's peasant you come out from his shadow? Kostas Murkudis, a Greek- blouses, babushka head scarves, wide belts with handicraft





Yves Saint Laurent by Alber Elbaz; Fur-sleeved sweater and pants.

# Judging this show against Saint Laurent's three soaring. And out came Yamamoto's signature navy tailoring; lean, high Cs of cut, color and class. Hibrz did not get great grades. graceful suits based on men's jackets, with sleek satin trims, Lightweight Shows for a Cool Fall

Versace's Flirty Look Plumbs the Ocean Depths

By Suzy Menkes International Herald Tribune

ILAN - A lively, if lightweight, show from Donatella Versace - all flimsy dresses, dotted muslin and coral-reef trimmings — brought the Italian fall season to a close.

Fall? Are we really going to brace ourselves for winter 2000 with barely a tailored coat or jacket in our closets? Pastel shearlings, or fat-free shaved furs, seem the only way to keep pneumonia at bay - if you believe the Milan de-

signers.
"My brother always said, 'Don't put commercial things on the runway — it's boring'" said Versace at the after-show

dinner in the family palazzo.

A boring Versace show? Never! The models belied down the glass runway over a bed of stick coral, while the movie actress Juliette Lewis, in shell-pink leather hot pants, slapped her thighs to the surging beat. Beside her, Mimi Rogers whooped at each barely-there dress with revealing insets of organza or pants with shredded talle running in a racing stripe.

By the time the show ended with a

parody of Versace sex-pot dressing black chiffon dresses looking like ads for breast enhancement - the Hollywood and rocker types were in ecstasy.

But take away the sexually charged ambience and polished models and what was actually there? The show was made up of colorful, casual items, which looked racy when put together. Versace had plunged into the ocean for a new take on decoration, replacing rhinestone sparkle with the sheen of mother-of-pearl (pretty on lacy knits). Coral dangled from shoulder straps or edged tunic and pants for a daytime look. Or turquoise trims cast pools of lagoon blue.

Versace played prettily with color, using hand-painting on shearling coats and bright hues for linings. The seashore theme also brought in foamy white clothes, from crochet lace sweater and skirt through dotted-Swiss muslin plouses. There were some striking, fempiouses. These water a design statement,

it was all pretty slight.

A woman designer's point of view often seems personal — an idealized take on what she wants to wear. So it is with Angele Missoni, whose gentle touch came in the mistier colors and easier shapes of the signature family knits. Using dusty pastels and pallid checks and playing with grainy textures of different stiches, she gave cocooning a fresh feel. The wrap or kilt skirt mingled with asymmetric knit dresses and sweaters

wrapped around the shoulders to create a Beries of comfort blankets. This soft but protective clothing to face off with the millennium included loose, smockshaped sweaters and striking tahards in a parchwork of different knits sectioned with fur. But for all her success with day wear, Missoni's evenings are still amiss.



Would a wrap skirt as a Lurex apron over a sheer sweater dress be any way to celebrate New Year's Eve 1999?

Minccia Prada has seen fashion's fu-ture — and she made a persuasive case for it in a strong Miu Miu collection. Mixing techno sportswear with post-feminist girly style, the show was cute and very cool.

Functional femininity meant putting an athletic mesh top with a skirt breaking out into a bulbous or frilled hem; rib-knit inserts on a leather coat, and rubber studs in the instep of clunky high-heel shoes. Running through the collection as a sig-nature, thin cords were threaded through colored loops.

Occasionally the theme overtook the modern simplicity of the clothes -- except for the menswear. The new Miu Min man had some powerful athletic pieces from perforated sweat tops through a toultipocketed duffel coat.

At Pucci, the house tried to capitalize

on the sporty heritage of Emilio Pucci, whose revolutionary skiwear hit the slopes in 1947. But the fall collection used the signature patterns timidly with was the downplaying of the Italians plain zippered jackets or brashly with signature luxury sportswear.



Left, Versace's painted shearling

coat with coral-bead trim.

Above, Miu Miu's geometric coat with sports details.

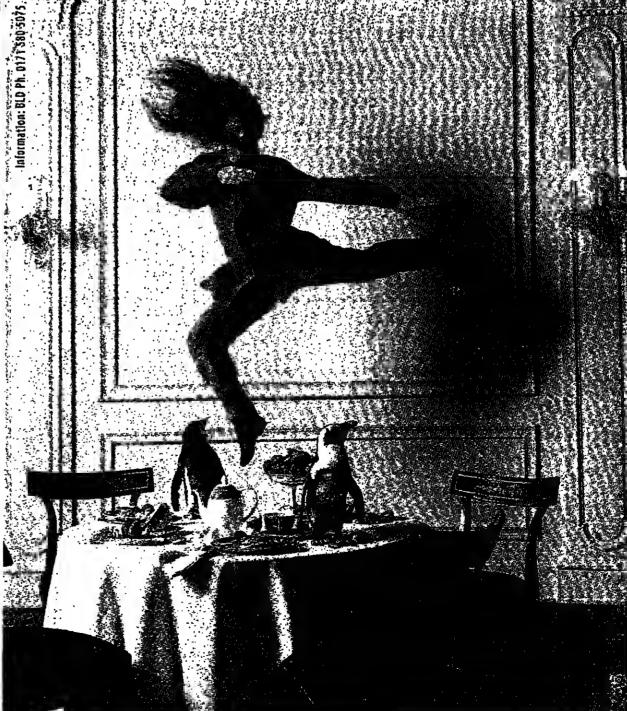
stiletto-heel shoes. That did not express the joie de vivre and energy of the vi-

vacious prints.

Etro captured that mad-for-the-millennium feeling, but the clothes seemed makeshift and haphazard — as though poncho and long dress were run up from curtains and blankets, rather than the product of a mighty fabric company. Kean Etro wants to do alternative fashion, and occasionally it works as easy pieces in rich paisley patterns or as funky embroidered purses.

The concept of clothes as quirky, romantic, individual pieces was introduced to Milan by Romeo Gigli. The designer was in form for fall, with papercutout effects creating lacy patterns on the back of a jacket or stenciled on suede. Gigli's narrow-shouldered silhouette looked fresh with long skirts, and egg-shaped coats were made interesting with glazed fabrics, appliqued patterns and

Mongolian lamh. Optimistic, colorful clothes were a general Milan trend. Fur was ubiquitous. as was a focus on handcraft. The surprise



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# Rumor Control On the Internet

eWatch Listens In for Companies

By Matt Richtel New York Tones Service

NEW YORK - James Alexander is the bearer of bad news for hundreds of corporations. Now his clients can take heart that he intends to bring them more negative tidings more quickly than ever.

Mr. Alexander and his brother, Charles Lukaszewski, are co-founders and operators of eWatch Inc., a company that scours the Internet oo behalf of corporate clients who want to know what the rest of the world is saying behind their

Corporations have long paid so-called clipping services to monitor their appearances in the conventional news media. But eWatch and its several competitors have taken the practice on-line and a step further.

This new generation of monitors goes beyond news publishers and instead trolls for rumor and innuendo in the Net's virtual back alleys - in thousands of chat rooms and discussion forums where, eWatch executives say, un-checked scuttlebutt can damage corporate reputations and

Mr. Lukaszewski, a programmer by training, and Mr. Alexander, a former television producer, started eWatch in 1994 from their home offices in Minneapolis and New York, respectively. With help from friends and family, they spent days searching the Internet for venom spewed against corporations, trying to persuade potential clients of the need for on-line rumor detection and control.

Bad news for corporate America has often meant good public relations for eWatch.

After O.J. Simpson's acquittal on murder charges in October 1995, for example, a false rumor — first reported on the tabloid television show "Hard Copy," and then spread on the Internet — said that Mrs. Field's Cookies had

underwritten a party for the jurors.

The company's sales fell, Mr. Alexander said, and eWatch was hired to help Mrs. Field's find on-line discussion groups where the rumor had appeared, and then post corrective messages. Cookie sales soon returned to normal levels, Mr. Alexander said.

Since then, as cyberspace has grown, so have eWatch's methods: As its client list expanded, the company scrapped manual monitoring for automated "spiders" — search

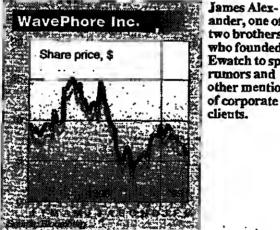
tools that scour chat groops for key phrases.

eWatch began a more fundamental overhaul this mouth, upgrading its software and server computers to quadruple the speed at which they scan and process information. It also replaced its home-brewed search engine with search software from Excalibur Technologies Corp., which will be coupled with a new Oracle Corp. database management system; the upgrade is expected to cost \$2 million.

Each day, eWatch combs through more than 250,000 postings from the sprawling on-line discussion forum known







ander, one of two brothers who founded Ewatch to spot rumors and other mention of corporate

# Banana War Foes Both Lobby WTO

Other Nations Fear U.S.-EU Dispute Could Stymie World Trade Body

By Barry James

BRUSSELS - The Uoited States and the European Unioo lobbied members of the World Trade Organization on Mooday for support in their dispote over trade in bananas, amid indications of concern from other countries that the standoff threatened to delay other business.

At an emergency meeting of the 134-natioo trade organization in Geneva, the European Union called for a denunciation of the United States for unilaterally imposing \$520 million in import doties on European products to compensate for the losses allegedly suffered by American companies as a result of the EU's of the crisis. banana import policy, which favors pro-

ducers in former European colonies.
Roderick Abbott, head of the EU trade delegation in Geneva, claimed to have broad support. "There is a very wide feeling that they have done the wrong thing," be said of Washington.

But many delegates at the closed-door meeting complained that the dispute was holding up the work of the organization and threatening world trade regulation

with paralysis. Sources at the meeting said delegates criticized both sides in the dispute - the United States for hitting EU exports with sanctions without waiting for WTO approval and the EU for not working hard enough to find a solution through the trade organization's settlement system.

said we need to get this dispute settled," WTO spokesman, Keith Rockwell, told The Associated Press. But there was no sign of a resolution

'There were a lot of countries which

Although the WTO has not authorized

the 100 percent tariffs oo a range of products from Italian cheeses to Scottish cashmere sweaters, the United States last week went ahead with its action by demanding that importers post bonds for the full amount of the tariffs.

weeks that the U.S. tariffs are justified, the bonds will aotomatically fall forfeit. The United States says its action, threatening thousands of European jobs,

WTO rulings that it is at fault.
The EU insists that changes introduced last year into its banana import rules meet the trade organization's demands.

justified because the EU has ignored

Mr. Abbott accused the United States of "declaring war" on any country whose compliance with WTO rulings it decided were inadequate. He said America had "decided to defy the rules and procedures of the organization and has taken actioo in hlatant disregard for its fundamental obligations.

The head of the WTO, Renato Roggiero, appealed to the European Union and the United States to settle the dispute. But Rita Hayes, oegotiator for the United States, insisted that the trade dispute would end only when the EU brought its banana trade regime "into conformity."

# Partners Agree: Goldman Sachs Will Go Ahead With Public Sale

NEW YORK - Goldman Sachs Group LP partners voted overwhelmingly Mooday to sell shares in the Wall Street investment bank, coovering the 130-year-old organization into a public company expected to be worth \$24 hil-

At the same time, the company said that Joo Corzine would resign as cochairman after the share sale. Mr. Corzine, 52, stepped down as co-chief execative two mooths ago after Goldman canceled its initial plans for a public offering in September as financial stocks plunged and the firm racked up bood- hillion from the stock sale, people fatrading losses. Henry Paulson will be

The vote Monday by the 220 partners cord territory. The decision marks the by institutions, they said. end of an era for the secretive, 130-yearold investment bank. Goldman Sachs, the last large private partnership on Wall Street, will have to give up some control in exchange for the cash it needs to keep pace with competitors.

After the stock sale, Goldman will

become the third-largest U.S. securities company behind Morgan Stanley Dean Witter & Co., which has a \$56.5 billion market value, and Merrill Lynch & Co., valued at \$30,7 billion.

"We are taking this step to secure permanent capital to grow, to share ownership broadly among our employees now and through future compensation and to permit us to use poblicly traded securities to finance strategic acquisitions," Mr. Corzine and Mr. Paulsoo said in a statement.

Goldman, based in New York, plans to raise between \$2.5 hillion and \$3 miliar with the firm said. It will use most of the mooey to increase its \$6.3 hillion The vote Monday by the 220 partners in equity capital and the rest to retire came as stocks once again hover in reabout \$755 million in private debt beld

The firm also announced the appointment of David Viniar as chief financial officer and Barry Zuhrow as chief administrative officer. The two will cohead a newly established operations, finance and resources division.

(AP. Bloomberg)

# **IMF** in Pact **With Brazil**

WASHINGTON - The Inter-

oational Monetary Fund said Monday that it had agreed with Brazil on a revised economic program that would release \$4.9 billion in fresh aid after a formal board vote.

Michel Camdessus, managing director of the IMF, said he would recommend to the agency's executive board the approval of the pro-

"The key elements of the new program are a strengthened fiscal adjustment and, in the light of the floating of the exchange rate, the adoption of a new nominal anchor for monetary policy," the fund said. Robert Rubin, the U.S. Treasury secretary, said, "Firm and sustained

implementation of this program can preserve financial stability." He said the United States was willing to "make available substantial addi-tional financing" as part of the IMF-led \$41.5 billioo credit line for Brazil that was approved last year. The U.S. had committed \$5 hil-(Bloomberg, Reuters)

## Thinking Ahead /Commentary

# Trade War's Logic Is Vintage 1914

# Europe and U.S. Are Acting Like the Pre-World War I Great Powers

By Reginald Dale International Herald Tribune

has it seemed so obvious that the world's two economic giants — the United States and the European Union - ought to be closely cooperating in their own and the world's best in-

struggling in the wake of the Asian exports in the banana war last week financial crisis, Europe and North despite the existence of improved new America are the two main areas of hope multilateral dispute settlement proce-America are the two main areas of hope for continued growth.

The EU, long a match for the United States in commercial weight, will now, with the advent of the euro, increasingly become America's economic and monetary equal as well.

As Fred Bergsten, director of the Institute for International Economics,

writes in Foreign Affairs magazine, the two economic superpowers are rapidly moving toward "economic interdependence and joint responsibility for global leadership," at least in economic and monetary affairs.

The move the first superpowers are rapidly will a slow. The global leadership, at least in economic and monetary affairs.

The move the first superpowers are rapidly will at will at will at the first superpowers are rapidly will at will at will at the first superpowers are rapidly moving toward "economic interdependence and joint responsibility for global leadership," at least in economic superpowers are rapidly will at will at the first superpowers are rapidly moving toward "economic interdependence and joint responsibility for global leadership," at least in economic superpowers are rapidly will at slows. The first superpowers are rapidly moving toward "economic interdependence and joint responsibility for global leadership," at least in economic superpowers are rapidly will at the first superpowers are rapidly moving toward "economic interdependence and joint responsibility for global leadership," at least in economic superpowers are rapidly will at the first superpowers are rapidly moving toward "economic interdependence and joint responsibility for global leadership," at least in economic superpowers are rapidly will be superpowers are rapidly moving toward "economic interdependence and joint responsibility for global leadership," at least in economic superpowers are rapidly will be superpowers are rapidly at least in economic superpowers are rapidly will be superpowers are rapidly at least in economic superpowers are rapidly at least in economic superpowers are rapidly will be superpowers are rapidly at least in economic superpowers.

There is oo more important task for the openness of the international trading system when economic globalization is running into a backlash in many parts of the world.

In particular, Americana and English and the statement of the world.

The restriction of the world and the statement of the world are right in claiming that the statement of the world are right in claiming that

In particular, Americans and Europeans shoold be working constructively together to launch a new round of moltilateral trade negotiations — the so-called Millennium Round — as the tion seems to believe it cannot amass best hope of keeping worldwide protectionist forces at bay.

ASHINGTON - Rarely powers mobilizing their forces for

Of course the issue is oot just ba-

At stake, as the EU sees it, is Washington's continuing propensity to take unilateral action in trade conflicts rests. just as it did in slapping prohibitive With much of the global economy retaliatory tariffs oo selected European dures in the WTO.

> The compatants are also the world's best prospects for economic growth.

gime has become the prime symbol. For Washington, it is the EU that is

Both sides are right in claiming that the other has behaved badly. But Washington is also afflicted by a

strange paradox. can be to officials. the political support necessary to embark on further trade liberalization— So what are they doing?

It seems almost incredible that the United States and the EU are heading or maintain the loyalty of its core supporters in labor unious — unless it can demonstrate its tooghness against its or maintain the loyalty of its core sup- pute.

toward a trade war, ostensibly over trading partners. That means limiting bananas, with all the inexorable, cheap steel imports, reasserting its blinkered logic of the European great rights under U.S. law to take unilateral action against "unfair" traders and trying to stamp out EU trade violations. There will be worse to come as even nasticr disputes with the EU flare over U.S. exports of hormone-fed beef and genetically modified farm produce in

the mooths ahead. Further exacerbating the climate is U.S resentment that Europe's economy is oot growing fast enough to absorb its fair share of exports from countries hit by the Asian crisis, leaving the United States single-handedly to shoulder a soaring, politically unsustainable trade

Unfortunately, the message brought to Washingtoo by Italian leaders last week was that there is not much that Europe can do to stimulate growth in the near future — increasing the danger that American protectionist pressures will mount if U.S. economic growth

The belligerents in 1914 were unable to halt their massive military mohilization plans once they were ac-

Today, it is still not too late to prevent a disastrous trans-Atlantic trade war that could spread destructive beggar-thy-neighbor policies around the globe and spark a world recession.

Bot just as war is often too important to be left to generals, so trade conflicts can be too serious to be left to trade

It is high time the two sides' top political leaders intervened to settle this unnecessary and dangerous dis-

> E-mail address: Thinkahead@iht.com

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understand your desires and needs in

order to propose, at each stage of construction, the appropriate solutions. Today, you are proud of the results. When it comes to Private Banking, the philosophy of Crédit Lyonnais is no different. Before we can help you fully benefit from our skilled specialists and wide experience, we must first listen to you to heller understand your plans for generations to come.

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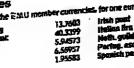
PARIS TEL 33 1/42 95 03 05 . LIXENBOURG TEL 352/476 831 1 . LONDON TEL 44 171/499 91 46 . MONICO TEL 377/93 15 73 34 MONTEVIDED TEL 598 2/96 35 14 . MIAMI TEL 1 305/375 78 00 . HONG KONG TEL 852/28 26 79 88 . SDIGAPORE TEL 65/333 63 31

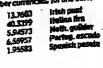
# **CURRENCY RATES**

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1.60861.4631 121.585 1.5168 6.8231 295.63 8.206
123.15 197.42 83.55 — 81.07 17.92 n.q. 14.89
1.515 2.4358 1.0357 12.453 — 0.2219 0.515\* 0.1845
1.4625 2.3542 — 1.2015\* 0.9658 21.432 0.4952\* 0.1782 1.0918 0.6785 1.592 132.60 1.656 7.4355 321.95 8.951 1.3533 0.8415 1.9873 166.93 2.0527 9.2799 401.64 11.1883 **European Cross Rates** a: To buy one pound: b: To buy one dollar. "Per 100; N.Q.: not quoted; N.A.: not available."

DR: Special drawing rights of the IMF. 12.695 17.021 5.4544 4.0199 1.7949 0.7221.774.56 2.0219 183.95 152.66 20.2272 90.5915 2.7233 9.69 2.8993 1.16552.266.22 2.2554 294.16 245.79 9.67 2.2509 22.29 20.30 68.08 169.06 4.745 60.42 0.46 0.4600 

Euro Values Fixed rates of the EMU m



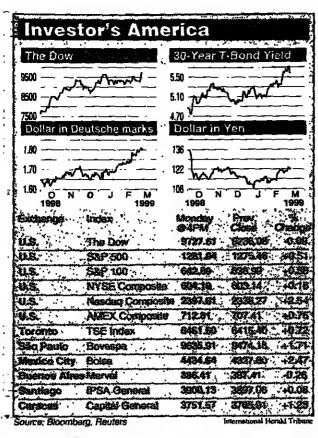








### THE AMERICAS



### Very briefly:

\*Ecuador shut its banks for Monday to avert a run on deposits that could extend a plunge in the sucre. The banking superintendent said the government would use the respite to announce new steps to shore up the struggling econotny.

CIT Group Inc. agreed to buy Newcourt Credit Group Inc. of Canada for \$4.17 billion, creating one of the largest publicly owned commercial finance companies. The companies estimated that the combination should save them \$150 million.

 BMC Software Inc. agreed to buy New Dimension Software Ltd. for as much as \$675 million in cash in a deal that expands foreign sales for the developer of network and database software and provides it a development center in

. Homestake Mining Co., a San Francisco-based gold mining concern, agreed to acquire Argentina Gold Corp, in a stock swap worth about \$200 million.

• Eastman Kodak Co. is considering selling its Eastman Software unit, which makes software to track paperwork, as part of a review of poorly performing businesses. The photography giant bought the unprofitable unit two years ago for \$260 million from Wang Laboratories Inc. Bloomberg, Reuters

### **Weekend Box Office**

LOS ANGELES - "Analyze This" dominated the U.S. box office over the weekend, with a gross of \$17.7 million. Following are the Top 10 moneymakers, based on Saturday's ticket sales and estimated sales for Sunday.

The Associated Press

	•		-
•	1. Analyze This	Womer Bros.	\$17.7 million
	2. Cruel Intentions	Columbia Pictures	\$13.2 million
1	3. Eight Millimeter	Columbia Pictures	\$7.0 million
	4 The Other Sister	Tauchstone Pictures	\$5.6 million
•	5. Payback	Paramount	\$4.1 million
	6. October Sky	Universal Pictures	\$3.7 million
	7. My Favorte Mortion	Watt Disney	molliam A.CZ
	B. (Ne) Message in a Bottle	Worper Bros.	\$3.4 million
	8. Shakespeare in Love	Miramax	\$3.4 million
	10, She's All That	Miramox	52.6 million

U. S. STOCK MARKET DIARY

Monday, March 8

**Most Actives** 

Compact AmOrane Algiverse AT&T Chiggs Gentlec Centlent MicmT Lucing EANC Display s Philator McOtalus Branfer Branfer

SPDR
MargGrp
SP Tech n
Napars
Hasbro
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**Trading Activity** 

NYSE

AMEX

# Tech Stocks Rise, But Blue-Chips Falter

NEW YORK - Stocks were mixed Monday, with technology shares soaring after Intel agreed to settle an antitrust case brought by the U.S. government, but other issues flat as investors eased their buying after two days of sharp gains.

At the close, the Nasdaq composite index, which is dominated by technology stocks, was up 60.51 points at 2,397.62. But the Dow Jones industrial average finished 8.47 points lower at 9,727.61, while the broader Standard & Poor's 500 index ended up 7.26 at 1,282.73. Declining stocks outnumbered advancing ones hy a 4-to-3 ratio on the New York Stock Ex-

change.
On Friday, the Dow had added 268.68 to close at a record 9,736.08, its second day of big gains. "We're just giving back some of the

gains of last Thursday and Friday," BancBoston Robertson Stephens said John Shanghnessy, chief invest-Bnt stocks of brokerage firm ment strategist at Advest Inc. "But the backdrop of this market continues to be week."

very, very solid."
The proposed settlement of the Intel case helped lift other technology

### U.S. STOCKS

stocks. Microsoft, which is engaged in its own antitrust dispute with the government, rose 4 1/16 to 159. 7th Level rose 3 27/32 to 8 27/32 after the developer of Internet software for animated content and characters reached an agreement to offer its pro-grams to members of America Online,

Ebay rose 2134 to 171 on "post-split euphoria" over the Internet auctioneer's 3-for-1 stock split last week, said Lauren Cooks Levitan, an analyst at percent.

the biggest on-line service.

But stocks of brokerage firms fell

Morgan Stanley Dean Witter fell 12 to 97 13/16, Merrill Lynch fell 1 3/16 to 84% and Lehman Brothers Holding fell 1½ to 57 15/16.

Even if the Dow tops 10,000 soon, many investors are concerned that shares are too richly valued.

"Psychologically, we want to get to 10,000, so we probably will," said Vincent Farrell, chief investment officer at Spears, Benzak, Salomon & Farrell. "Then, the assessment of valo-

ations will come into play. With stocks going in different di-rections, Treasury prices were nearly flat; the price of the benchmark 30-year bond rose 1/32 to 95 1/32, keeping the yield unchanged from Friday at 5.59 (AP, Bloomberg)

# Browning-Ferris Yen Rebounds Against the Dollar Bought by Allied

Allied Waste Industries Inc. said Monday it would buy Browning-Ferris Industries Inc., a rival in the waste disposal industry, for \$9.1 billion

in cash and assumed debt.
Allied Waste will pay \$45 ing-Ferris; in late trading Monday, Browning-Ferris was up \$4.5625 at \$39.5625. Allied Waste also will assume \$1.8 billion in Browning-Ferris debt. The comhined company will have annual revenue of \$6.6 billion.

NEW YORK - The dollar SCOTTSDALE, Arizona fell against the yen Monday as traders became concerned that the recent gains in the U.S.

currency were overdone.
In 4P M. trading, the dollar fell to 121.585 yen from 123.350 yen Friday. The euro rose to \$1.0885 from \$1.0834 for each share of Brown- on expectations that the European Central Bank will not cut interest rates soon and that it will not tolerate a continuing slump in the curo. The dollar also fell to 1.4631 Swiss francs from 1.4685 francs. The pound slipped to \$1,6080 from \$1,6097

The yen fell sharply last Dominique week after the Bank of Japan

## FOREIGN EXCHANGE

recession, allowing banks to borrow money nearly for free and pushing down the return on yen deposits. Analysts said the currency had probably fallen too far, too fast.

In Europe, there were continuing calls for lower interest rates, but analysts said they probably go

France's finance minister,

Stranss-Kahn. said French economic growth poured money into the bank-ing system in a bid to end the erument's forecast of 2.7 percent this year. He reiterated calls by Germany's finance minister, Oskar Lafontaine, for lower rates.

We have interest rates that are the lowest in the world, outside of Japan, but I'd like for them to be even lower," Mr. Strauss-Kahn said.

But a member of the European Central Bank, Tommaso Padoa-Schioppa, said in Tokyo that there was "no reason to modify" the bank's

# INTEL: Chipmaker and U.S. Reach Accord on Antitrust Dispute

Continued from Page 1

let each license the other's technology, Mr. McTamaney said. That allowed Intergraph to get a look at upcoming Intel developments so it could design its workstations around them. Intel was allowed to license Intergraph technology for its Pentium processors. Mr. McTamaney said. "If one party licenses another to use its patents and intellectual property rights, it is standard to require the other party to license back any conflicting or complementary rights which it might hold."

Late in 1996, Intergraph began to complain that some of Intel's other licensees were using its technology, and it sought to obtain royalty payments from with any company.

Monday, March 8

tilgh Low Latest Chae Opint

them. Intel responded by withholding information about new chips.

The trade commission contended that Intel had monopoly power, because its chips accounted for about 80 perceut of the global market for general-purpose microprocessors, and thus was required to provide information about new products to Intergraph.

But Intel, Mr. McTamaney said, had licensed its chips, which contained some of Intergraph's technology, and had indemnified the other licensees against the kind of actions Intergraph was taking.

INTERNATIONAL FUTURES

But a federal judge in a separate suit last year ordered Intel to resume supplying Intergraph with new technology while the litigation proceeded, saying that Intel had "violated its affirmative duties as a monopolist uot to misuse its and its new money. monopoly power and to compete in a manner that does not unreasonably or unfairly harm competition.

Although Mr. Mulloy of Intel refused to discuss the settlement Monday, he did say his company was "satisfied that this agreement acknowledges the value of our intellectual property."

But Victoria Streitfeld, a commission

spokeswoman, told Bioomberg News that the agency's lawyers had "got the relief they wanted" from the settlement.

High Low Latest Chas Opint

# EURO: Bundesbank Warning

Continued from Page 1

impact, because credit conditions themselves posed no barrier to investment or hir-

ing, he argued.
The comments by Mr. Tietmeyer, lent the euro some support in the financial markets. After the euro fell to a low of \$1.0834 Friday - a drop of about 10 cents, or more than 9 percent, from its inaugural rate in January - it rebounded to

\$1.0897 Monday. The potential for the euro to fall further has raised concern about Germany's central bank, analysts said in response

to Mr. Tietmeyer's remarks. Germany's top central banker made clear that he did not want to neglect the euro's exchange rate. 'Of course, we cannot steer exchange rates," he said, "but I do not think a policy of well-meaning neglect or of complete

disregard are right."
He added: "Neither an overly weak nor an overly strong curo suits us."

Later Monday, after a monthly meeting of the world's 10 major central bankers, Mr. Tietmeyer took a calmer tone, saying the cur-rency exchange rates were not a cause of concern. The Bundesbank's headquarters in Frankfurt also took some distance from the Handelsblatt's Pleads for Support for the Euro" — which suggested that the Bundesbank suppor-

ted market intervention to support the euro. Mr. Tietmeyer did not mean to suggest that, a Bundesbank spokesman said. Behind the increasingly

noisy debate over the euro's exchange rate is the fear that the euro is suffering from political mismanagement and disappointed expectations. Nearly all future steps toward further political integration of the European Union and the common market - not least the vast euro-bloc economy— rest on the pillar of the ECB

As Mr. Tietmeyer pointed out in Handelsblatt, a new currency needs trust, not only internally within the EU but also externally in the global markets. That trust is at risk. according to the Handels hlatt's account of the interview. Such comments resouate deeply in Germany, where high inflation destroyed German society in the 1930s.

Although the absolute level

of the euro bothers few -indeed, it supports the European economy by discounting its exports — analysts say Mr. Tietmeyer fears that the public feud over its plunge poses the greatest danger. The euro risks becoming a political football as Mr. Lafontaine bickers with the ECB over interest rates Politicians and unions increasingly want to pin the hlame for a weak economy on the ECB, while the ECB lashes back at the German government for failing to introduce labor market reforms.

In the most recent instance of politicization, Chancellor Gerhard Schroeder and his advisers are wielding the threat of euro weakness to add urgency to talks on EU budget reform at an EU summit meeting this month, warning that failure to reach agreement raises new risks of cur-

rency weakness.
This is Tletmeyer, the politician, who is speaking, Adolf Rosenstock, analyst in Frankfurt for Nomura Inter-national PLC. "He is very much afraid of the euro becoming a political game. It is too young for this. It is like a fragile, vulnerable little baby out there. It should not be tossed around."

In what Mr. Tietmeyer called a "dilemma," the euro stands to weaken further. In that scenario, the dollar's interest rate advantage over the enro could widen if the U.S. Federal Reserve Board increases interest rates just as Europe's sharp economic slowdown provoked renewed

# **MONITORS:** Rumor Patrol

Continued from Page 11

as Usenet. It also monitors thousands of other postings from the financial chat rooms ou leading Web sites, including those run by Yahoo! Inc. of the electronic grapevine, and the Motley Fool, while eWatch and other monitoring also scanning discussion areas on principal proprietary online services, including the leader, America Online Inc.

including Cybercheck of Colorado and Cyveillance of Virginia. But Louis Thompson,

US West Inc., H.J. Heinz Co.,
Owens Corning and Northwest Airlines Corp. It is no
longer independent, having
been acquired by WavePhore
Inc., a publicly held data
broadcasting commany based Inc., a publicly held data broadcasting company based in Phoenix. But it is still operated by the brothers, with Mr. Alexander overseeing marketing from New York and Mr. Lukaszewski operating the technology side from Minneapolis, where the brothers were raised. brothers were raised.

valuable commercial medium especially true as the rising mediator of the chat group, popularity of on-line stock who posted a correction.

trading has placed a fasttwitch premium on corporate information, often with little regard to its accuracy.
Yet, as more companies

come to recognize the perils of the electronic grapevine, agents are finding that their real competitors are often their would-be clients. Many companies use in-house reeWatch has competition, sources to monitor the Internet, or ask their poblic relations firms to do the work

4.5

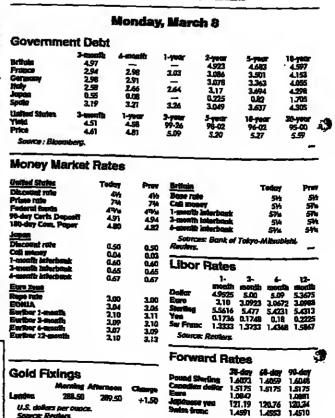
president of the National Investor Relations Institute, a trade group, said that among pabilities, they may oot always be convinced that the \$13,000-Internet monitoring companies, eWatch "seems to be the big one on the block."

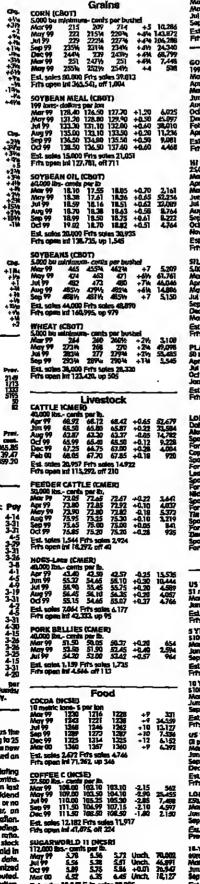
eWatch serves about 130 clients full time, including proved valuable, though

held only 5 percent of its assets Mr. Thompson said that in the region, but the inforcorporations had come to mation was a potentially devrealize that the same attrib-utes that make the Internet a the Asian economic crisis.

The next day, Mr. Pinto resuch as the ability to spread information quickly and cheaply to the masses—can be a liability too. That is sent an electronic mail to the

### INTEREST RATES





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Aug 19 43.70 43.25 43.40
Gold 19 44.50 64.15
Gold 19 44.50 64.15
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**EURODOLLARS ICHERO** LIGHT SWEET CRUDE (NMERO LOO) 061- dollars per bhi.
Apr 99 14.03 13.41 13.63 14.
Apr 99 14.01 13.60 13.73 14.
Jun 99 14.12 13.65 13.76 14.
Apr 99 14.10 13.73 13.80 14.
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Sep 99 14.15 13.85 13.86 14.
Ed. soles N.A. Fets soles 125.777
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2 Communication

Compiled by Our Stoff From Dispatches BRUSSELS - Fortis, the Belgian-Dutch financial-services company, agreed Monday to buy American Bankers Insurance Group Inc. for \$2.8 billion in cash and assumed

debt, making it the top U.S. insurer of consumer and credit card loans. Fortis will pay \$55 for each American Bankers common share, 19 percent more than the closing price Friday, and \$109.86 for each preferred share. Fortis will assume \$194 million of the Miami-based insurer's debt. The shares of American Bankers rose \$5.625 m late trading. to \$52, while Fortis finished at 34.01 euros (\$36.85), up 51 cents.

The combination of American Bankers and Fortis's American Security Group will have premium in-come of \$3.6 billion, giving it 28 percent of the U.S. consumer loan insurance market

Cendant Corp. was to buy American Bankers last year, but the deal died amid an accounting scandal at a Cendant unit.

(Bridge News, Bloomberg)

# Siemens Details U.S. Expansion

يمكذا من الأعل

Germany detailed its plans Monday for a billion-dollar expansion into the converging voice, data and Internet networking businesses, announcing the formation of an American subsidiary called Unisphere Solutions Inc.

As expected, Siemens said it had agreed to acquire two U.S.-based companies, Argon Networks Inc. and Castle Networks Inc., which together with several units of Siemens Information & Communications Networks Inc. will form

the basis of the new company.

The new company will address increasing customer demand for networks in which voice, video, data and Internet services inter-

ted \$30 million in Accelerated Networks Inc. Unisphere will be based in Bur-

lington, Massachusetts, and will be headed by Martin Clague, previously vice president for global

NEW YORK - Siemens AG of International Business Machines munications Inc., and Northern Corp. Telecom Ltd. bought Bay Net-Siemens also said it and the U.S. works Inc. for \$6.3 billion last

networking company 3Com Corp., which is a major provider of Internet technology, were examining possibilities for expanding their current cooperation agreement.

Analysts said the moves by Siemens were needed because the company had been slow to move into data transmission and Internet technology. They said these areas were vital if Siemens wanted to keep up with rivals such as Alcatel

SA of France and Lucent Tech-nologies Inc. of the United States. "Siemens hasn't shown signs of moving fast enough so far," Neil Barton of Merrill Lynch & Co. said operate as simply and reliably as a telephone call," Siemens said.

Siemens said it had also inves
57.70 euros (\$62.51), down 1.75 Signers shares finished at 57.70 euros (\$62.51), down 1.75

> The boom in demand for equipment for data networks has sparked a flurry of acquisitions in the industry.

Lucent recently agreed to pay

the country.

networked computing solutions at about \$20 billion for Ascend Comsummer.

Alcatel recently agreed to buy the Internet technology companies Xylan Corp. and Assured Access Technology Inc. in transactions valued at a total of \$2.35 billion.

The volume of data traffic may soon outstrip the volume of voice telephone conversations on the communications networks, forcing major makers of telephone equipment to expand their expertise and product lines.

Many of the big communications carriers that spend billions each year to upgrade their systems want to stop operating separate voice and data octworks.

Instead, they would like to run single networks based on advanced data technologies, layering tradi-tional voice phone calls on top as just another function, as with Web browsing or the automated verification of credit-card information.

The French farm union FNSEA has urged

"This crisis is without precedent and it's not

The EU recently raised export subsidies on

Europe-wide production controls, even suggest-

ing culling millions of piglets in the short term.

just French, it's European, even global," said the

pork products to Russia. But it has rejected calls

said. "We just want Brussels to bring production

everyone else," Yannick added.

More than a third of the 6 percent rise in 1998

EU pork output was accounted for by the Neth-

erlands, after it fought off the swine fever that

wiped out its 1997 stock, German, Spanish and

Danish output rose between 5 percent and 8

percent last year. In France, pork farm incomes

FNP says the crisis cost a farmer with 144 sows

ell 37 percent last year. The pig farmers' unioo

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union's president, Luc Guyau.

for additional measures.

under control in Europe."

(AFX, Reuters, Bloomberg)

# Approve Sale Of Volvo Car

Compiled by Our Staff From Dispatches

GOTHENBURG, Sweden Volvo AB's shareholders on Monday approved the company's 50 billion (\$6.07 billion) kronor sale of its car unit to Ford Motor Co., and the board proposed using a fifth of the proceeds for a massive share buyback.

The estimated 1,200 shareholders attending the general meeting in Gothenberg voted nearly unani-mously to approve the sale, which will allow ownership of half of Sweden's best-knowo brand to fall into foreign hands.

There was no immediate resistance to the buyback plan, which indicates that Volvo might not yet be ready to make a major acquisition. No vote is scheduled yet. Analysts said the buyback would still give the company scope for an acquisition later this year.

Volvo has come under intense pressure to clarify how it will use the proceeds of the car-division sale, which will halve earnings capacity and sharply cot shareholder value.

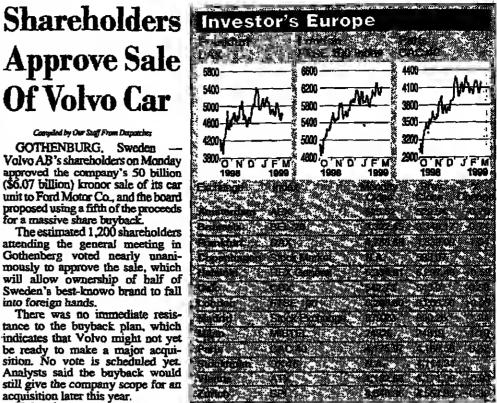
Volvo could use the balance of mooey from the Ford sale to buy another truckmaker, strengthening its position in the heavy truck market. Volvo bought a 14 percent stake in the Swedish rival Scania AB on Jan. 15, though talks to buy the rest failed, fueling speculation Volvo might buy the American truckmaker Navistar International Corp.

Analysts say that the company also might make an acquisition in one of its other remaining busioesses; buses, constructioo equipment and marine engines.

'The strategy we are oow choos-"We're not asking for handouts," a farmer ing is not going to be implemented overnight," the company said Moo-day, "Volvo has ambitious plans for its future growth, growth that will also contain elements of acquisi-"I want to make a living from my job like tions.

Mats Liss of Swedbank Markets said, "Volvo is stressing that it's taking a long-term view, which is the right thing to do."

Sweden does not allow companies to hold their own shares, though Volvo is urging the government to an average 300,000 francs by the end of 1998. modify the law. Volvo B shares (Bloomberg, Reuters)



### **Very briefly:**

 VLSI Technology Inc. toughened its shareholder-rights plan, complicating a \$777 million takeover bid by Philips Elec-tronics NV, which has sued to block VLSI's takeover defense. VLSI's so-called poison pill now kicks in as soon as anyone acquires 10 percent of the company, down from 20 percent,

 Albright & Wilson PLC, a British chemical company, accepted a takeover offer from Albemarle Corp. of the United States. Albemarle offered £408 million (\$655.5 million), or 130 pence a share.

· ASDA Group PLC, a British supermarket chain, plans to cut prices on more than 1,000 items as part of a price war with Tesco PLC and others.

 Thomson Travel Group PLC's 1998 profit rose 11 percent, to £93.1 million, as the leading British tour company expanded abroad through acquisitions. The company, which was spun off from Thomsoo Corp. of Canada in May, also said it was buying Edinburgh-based Robert Sibbald Travel Agents Ltd. for £3.5 million.

•Inchcape PLC, the world's biggest independent car distributor, said 1998 pretax profit fell 42 percent, to £106.1 million, because of recessions in Asia and disposals of assets unrelated to cars. Revenue fell 18 percent, to £5.5 billion.

 Rabobank Group, a Dutch banking company, will pay \$410 million for Tokai Bank Ltd.'s U.S. leasing company, Tokai Financial Services. The Philadelphia-based subsidiary offers leasing in the business-machinery and health-care industries. · Wembley PLC, which owns England's national stadium, will let shareholders vote on selling Wembley Stadium to the Football Association, rejecting an attempt by SFX Entertainment Inc. to delay the vote. Bloomberg, Reuters, Bridge News

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# \*Drop in Pork Prices Breeds Despair in France Production of the second secon

ST. BRIEUC, France -- Ten years ago, weary of truck driving, Yannick tore up his license and threw his savings into a farm, seduced by the vision of a life raising pigs in the rugged northwest of France.

A decade later, his savings have turned to dust amid a pan-European crisis in pork. Yannick says he is ready to quit. "I'm losing 300 francs on every pig I sell," he said, or \$50. "In a few more weeks I'll be bankrupt."

The financial crisis in Asia and Russia last year temporarily robbed France of two thirds of its pork market. At the same time, Europe found itself with an extra 11 million pigs, due largely to a rise in Dutch output after a disease ravaged the

herd in 1997. The combination of falling demand and oversupply has dwarfed usual cyclical swings and shunted European prices to 25-year lows, with prices in France at half production costs.

Frustration among farmers in Brittany reached breaking point earlier this year when buyers at the Plerin pig auction in St. Brienc tried to push prices below the key psychological threshold of 5

for five hours until they agreed not to breach the farmers for importing cheaper pork from outside 5-franc level — a price unheard of since the Plerin auction started a quarter of a century ago. Huddled inside a meeting room, pork mer-

chants said they could not ignore a European-wide slump in prices. But outside, farmers were resolute. "Five francs is a terrible, unimaginable price," said Bernard Chretien, head of the pork section of the FDSEA farm union.

Pig farmers use profits from bumper years to shore up tougher ones, but say they are now dependent on family and bank loans to bail them out. "There have been bankruptcies, even suicides," a retired farmer said. "It makes me feel sick in the stomach."

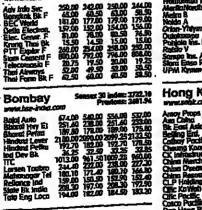
The director of the Plerin market, Jean-Pierre Joly, explained that people had poured into pig farming the last time prices peaked, and that with some now selling out and sow numbers starting to fall, prices should swing back up in a few years. "It is a cyclical thing, although it does seem worse this time," he said. "Prices are lower and there's more pessimism."

Retailers had not helped matters by initially refusing to ease prices and stimulate demand,

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# francs per kilo (50 cents per pound). Opting instead to pocket the difference. Prench Buyers were barred from leaving the market supermarkets have also come under fire from crisis could cost Europe 50,000 jobs. Opting instead to pocket the difference. Prench Crisis could cost Europe 50,000 jobs. Opting instead to pocket the difference. Prench Crisis could cost Europe 50,000 jobs. Opting instead to pocket the difference. Prench Crisis could cost Europe 50,000 jobs. WORLD STOCK MARKETS Monday, March 8 Prices in local currencies; in euros for EAU countries. High Low Close Prev. Frankfurt Amsterdam Action Ac









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stock prices were oot available for this edition due to technical problems at the source. Prices shown are from Friday.

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# INTERNATIONAL INVESTING

# Ralph Lauren's Rough Ride in Market May Be Over

By Kenneth N. Gilpin New York Times Service

NEW YORK - When you're bot in retailing, you're not. And when you're oext month it sank even more, to an all-not, you're not. But with retail stocks, time low of \$15.875 on Dec. 16. it's different: When you're not hot, perhaps you really are.

Consider Polo Ralph Lauren Corp., which for a while rode a wave as shoppers and investors alike bought into the confipany's sterling image.

his stock was first offered to the public in June 1997 at \$26 a share and has traced as high as \$33. And why not? Raigh Lauren, the chief executive, was a progen commodity.
But the stock was a different story.

in November, the company issued a disappointing quarterly earnings report, and company executives said profit would be squeezed for a further six months. The reason was backed-up inventory, compounded by heavy spending that had been intended to fuel further

ican Ceonury's \$32 hillion Ultra fund its current price level. "Ralph has a I think will straighteo out its prob-dumped the stock. Polo Ralph Lauren shares fell 16 percent, to \$20.125, the last 31 years; people all around the world Mr. Black said he started buying the day it disappointed Wall Street. Over the

time low of \$15.875 on Dec. 16. last month announced a restructuring that is expected to generate \$15 million to \$20 million in savings for the year beginning in April. Last week, it anoounced that it would spend \$52.5 million to acquire Club Monaco, a small

Canadian-based specialty retailer. The deal raised eyebrows because it is unusual for a design house to buy a retail chain devoted to selling clothes that are company was looking beyond its own perceot of the shares outstanding.
brand for promising growth. Scott Black, president of Delphi Man-

These developments have not succeeded in luring growth-hungry investors back into the shares.

But the steep drop in the stock has

know it," said Ronald Baron, chairman of Baroo Capital Group.

'We think the stock is really cheap To address its problems, the company and that earnings growth of 15 percent to 20 percent, and possibly over that, is achievable over the oext few years."

Baroo Capital, which began hoying the stock more than a year ago, increased its position in December as the stock slid. Currently, it owns more than 12 million shares, a stake Mr. Baroo said represented about 12 percent of the company. Another hig holder is Goldman, Sachs & Co., which paid \$135 million in not its own. It seemed to signal that the 1994 for a stake that oow represents 23

agement, a deep-value investor with a little more than \$1 hillioo in assets, is a more receot convert to the stock.

'We bought it when the stock was

stock in December and has added to his position since. As of Feb. 26, he said, Delphi owned 182,000 Polo Ralph

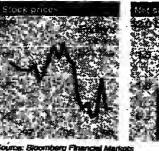
The stock's drop caught the attention of Wall Street analysis, too. Based oo projections for its next fi-nancial year, Josephine Esquivel, an analyst at Morgan Stanley Dean Witter, raised her rating on the shares to "strong

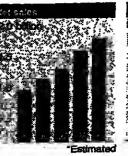
buy" on Jan. 7.
"At the time, the stock was tracing at about 14 times March 2000 earnings, which we thought was a very compelling valuation for one of the world's true premier global brands," she said. "In talking to them, I got the sense they were very, very committed to looking at all of

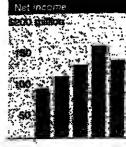
their businesses." Bot even with the recent cuts, overright that been intended to fuel further of expand posicoos, as the company formentum investors such as American pany may be an attractive value play at a said. 'It is a great branded franchise that in the company, which had sales the list of major share-pany may be an attractive value play at said. 'It is a great branded franchise that of \$1.5 billion in its 1998 financial year, holders, some analysts say it may be a head expenses remain much higher than

Market Markdown

Despite a recent bounce, Polo Ralph Lauren has seen its stock drop 33 percent below its high last May.







has grown too big to generate earnings growth of 15 percent or more.

positive for Polo Ralph Lauren to have the likes of Goldman Sachs and Baron "If they can make their oumbers and live up to their promise to reduce costs, it conducts its business.

people will have greater comfort" with

the stock, said an analyst at a big mutualfund company who spoke on condition

Capital paying close attention to the way

"If people are looking over Ralph's shoulder, I don't think that is bad," said Brenda Gall, a retailing analyst at Mer-

Marie Marie

# **Alcatel Hopes Shopping Spree Will Lift Shares**

SA's chairman, said investors had networking company Xylan Corp., should have sharpened its focus on overdone it when they drove shares based in Calabasas, California. It the fastest-growing markets. of the phone-equipment maker followed that Thursday with a \$350 down 38 percent in one day after a million offer for Assured Access profit warning last September.

ing market for Internet equipment by snapping up two U.S. technology \$315 million in December as well as companies last week. Shares of the DSC Communications Corp. in Pans-based company surged 24 percent in four days in response to the acquisitions, adding 4.2 hillion euros fill the holes in our product line, and (\$4,55 billion) to its market value. In we'll soon offer one of the most late trading Monday, Alcatel's shares were at 117.40 euros, down 2.40.

The purchases, some investors seem to believe, will enable the company to shift away from its stagnating voice businesses, win new

clients and raise earnings.

"Alcatel's shares are oow prepared for a comeback," said Jean-Pietre Viteaux, a fund manager at BBL Asset Management in Paris.

Technology Inc. Now Mr. Tchuruk, 61, has moved
Alcatel firmly into the rapidly growcompany Packet Engines Inc. for

September for \$4.4 billion in stock.
"Very rapidly, we've managed to

complete ranges of phone equip-ment available, 'Mr. Tchuruk said. The company has come a long way since September, when it stunned investors by saying it would fail to meet earnings expectations for last year because of weak demand for its traditional voice equipment.

The warning showed just how far behind Alcatel then was in the race

Last Tuesday, Alcatel offered \$2 data, even as it emerged from a

the fastest-growing markets. A favorite oo the Paris stock exchange since Mr. Tchuruk arrived in 1995 to try to turn the company around, Alcatel's shares plunged, hitting a 20-mooth low of 68.14

Latel will present its 1998 earneuros on Oct. 2. This year, the stock had fallen as much as 12 percent, making it one of the cheapest stocks

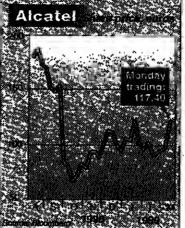
in the phone-equipment industry. Even after last week's rise, the shares still trade at 29.5 times estimated 1999 per-share earnings, analysts said, compared with an industry average of 33.4. Lucent Technologies Inc., the No. 1 phoneequipment maker, trades at about 47.5 times earnings.

Bot the acquisitions announced last week could give Alcatel the amger North American rivals and complete a transition into a full-fledged to provide new equipment to handle telecommunications company.

"Xylan gets Alcatel back into the PARIS — Serge Tchuruk, Alcatel billion, or \$37 a share, for the data-three-year reorganization that game for the highest-growth seg-Ads chairman, said investors had networking company Xylan Corp., should have sharpened its focus on meet of the market," said Stephen Koffler, an analyst at Donaldson Lufkin & Jenrette, referring to the

> Alcatel will present its 1998 earnings Thursday, and analysts say Mr. Tchuruk must prove that amid Alcarel's U.S. acquisition spree the company has not stopped cutting costs and turning around its problem units. In the telecommunications industry's other major market — mobile equip-ment — Alcatel still lags. Its cellular infrastructure division lost an estimated 1 billion francs (\$165.6 million) last year, when it was supposed

to have returned to break-even. A recent alliance with Motorola Corp. gives Alcatel a fuller line of prodocts for the U.S. market, but that only goes part way to remedy Becoming stronger in that market is the problem, analysts said. Alcatel essential for Alcatel to make its cellstopped short of cooperating with phone unit profitable, analysts said.



Motorola in the market for equipment that global systems for mobile communications. GSM is used throughout Europe, where Alcatel faces competition from Ericsson AB of Sweden and Nokia Oy of Finland.

### Very briefly:

 Management at Ashmore Investment Management, the emerging-markets fund-management unit of Australia & New Zealand Banking Group Ltd., plans to purchase the London-based unit from the bank. ANZ announced in October it would withdraw from emerging-markets trading and lay off 70 of the 550 people in its London office.

 Merrill Lynch & Co. ranked No. 1 for a second year in stock research, based on its stable of analysts and its breadth of i coverage worldwide, according to Nelson Information. Merrill has 455 analysts who follow 4,504 companies, surpassing : Warburg Dillon Read, which has 402 research analysts who cover 3,410 businesses. ABN-AMRO is next, with 241 analysts covering 2,727 companies.

• Turkey's stock market, last year's worst performer, leads all other markets worldwide so far this year. The National 100 Index has surged about 30 percent in dollar terms, while the Dow Jones industrial average has gained 6 percent. The rally may be just beginning, analysts say. Elections, scheduled for April, are expected to strengthen the government and enable it to continue shoring up poblic finances, cootaining inflation and reducing borrowing costs.

Morgan Stanley, Dean Witter & Co. named three people ; to head three new regional sales divisions as it moves to replace Robert J. Dwyer, who is retiring as national sales i director April 1. The sales force has grown more than 50: percent to 11,040 brokers since Mr. Dwyer took charge in . 1990. Reuters, Bloomberg

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### ASIA/PACIFIC

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# Renong Unit Plans Bond Sale to Save Parent

Monday that its cash-tich toll road unit would sell a record 8.4 billion ringgit (\$2.21 billion) troversial plan inveiled last year to replace 10.5 worth of bonds to bail it out, after the Malaysian billion ringgit of debt at it and other developers

The bond sale by the Renong unit Projek the accusation it was be Lebuhraya Utara Selatan Bhd., or Plus, will be chairman, Halim Saad. the biggest ever by a Malaysian company and the biggest ever by a Malaysian company and will avert the collapse of one of the country's most politically well-connected business empany and most politically well-connected business empany and most playing a smaller role" at Renong. He did not elaborate. He said he faced no pressure from pires. Renong has more than 20 billion ringgit worth of debt, or more than 5 percent of Malaysian banks' total loans.

Malaysian banks, insurers and pension funds will be called on to buy the bonds, said C. Rajandram, chairman of the Corporate Debt Restructuring Committee, which was created by the government to prevent lenders from nessmen in Malaysia. Renong's businesses taking companies to court.

The new debt plan, is likely to "appease foreigners," said Wong Yee Hui of Merrill Lynch & Co., and may revive foreign investors' interest, bringing much-needed funds to help pull Malaysia out of its recession.

industrial giant failed to orchestrate a stateafter Malaysia failed to endorse it, faced with the accusation it was bailing out the Renong

the government to quit, saying that had there been any pressure, "it would be interference in

the private sector." Mr. Halim also said Renong would add three new seats to its board this week.

Mr. Halim is a protégé of Finance Minister Daim Zainuddin, one of the wealthiest busiwere formerly owned by the ruling United Malays Nasional Organization. The assets were

KUALA LUMPUR — Renong Bhd. said londay that its cash-rich toll road unit would la record 8.4 billion pages (2011). Shares of Renong did not trade Monday. On save companies that have been the backbone of triday, Renong fell 1 sen to 80.5 sen. Its industrial development. It shows the efforts Renong's latest proposal supplants a conseen as organizing state-backed bailouts of troubled companies run by executives with close ties to UMNO.

"The government will pay close attention to providing a very good settlement for Renong's foreign creditors to ensure its credibility," said Franklin Tan, vice president for business development at Premier Capital Securities

Under the plan - expected to be completed by the third quarter of this year - the money raised by the sale of Plus's seven-year, zerocoupon bonds yielding 10 percent per annum will be used to pay off creditors of Renong and

its unit United Engineers Malaysia Bhd.
Renong, like other companies in Malaysia,
was hurt by increases in interest rates last year to protect the value of the ringgit. The rates reduced demand for everything from cars and property to consumer goods while raising the

bundled into Renong under a restructuring, and cost of paying back debt.

Mr. Halim was picked to head the company.

The debt plan is critical to the survival of in the year ended June 30, compared with a Renong and showcases Malaysia's attempts to profit of 469.5 million ringgit a year earlier.

# Japan Banks Investor's Asia Say They See End of Losses

TOKYO — Japan's major banks said Monday that a massive publicly funded industry bailout, along with cost-cutting measures and writeoffs of nonperforming loans, would

help them end years of losses.

The banks made the predictions as they announced the measures they said would put them in the black for at least the next four years. Their restructuring steps are a precondition to receiving money from the 7.5 trillion yen (\$60.8 billion) public fund.

"We had to ask for public money because of our bad loan problems. and we take the matter very seriously," said Yoshifumi Nishikawa, president of Sumitomo Bank

'That's why we're restructuring

as thoroughly as we are."

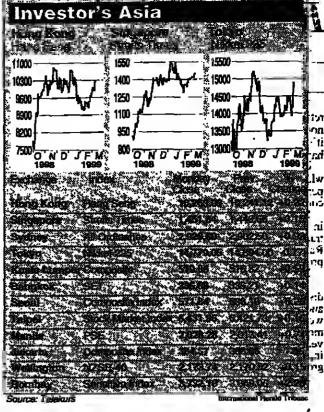
The banks and the government say the money will be used to cleanse balance sheets of bad loans that have festered since the collapse of Japan's stock and land prices in the early 1990s, giving the lenders a new lease on life and a chance to pump money into the country's withering economy.

But Japan's recession and the severity of the lenders' problems may prevent a smooth restructuring, analysts say.

Besides Sumitomo, the banks that promised to turn the corner on losses after implementing their cost-cutting measures were Industrial Bank of Japan Ltd., Dai-Ichi Kangyo Bank Ltd., Sakura Bank Ltd., Fuji Bank Ltd., Daiwa Bank Ltd., Sanwa Bank Ltd., Tokai Bank Ltd. and

Of Japan's 17 major lenders, only Bank of Tokyo-Mitsubishi, the largest, and its subsidiary Nippon Trust Bank Ltd. declined to apply for public funds and are not obligated to offer cost-cutting steps.

Also absent was Yasuda Trust & (AFP, Bloomberg)



### Very briefly:

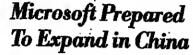
 Development Bank of Singapore Ltd. and Overseas Union Bank Ltd., two of Singapore's "big four" banks, re-ported lower net profits for 1998 as they raised their provisions. 2 against doubtful debts. Development Bank's net profit fell 49... o percent from a year earlier, to 222.7 million Singapore dollars (\$128.77 million), while Overseas Union's net profit fell 29 ch percent, to 180.39 million dollars.

 China's coastal Shandong Province is likely to lose about 6 percent, or 247,000 hectares, of its winter wheat crop to its 14 worst drought since 1916, according to government officials. • Hyundai Motor Co.'s new chairman, Chung Mong Gyu,"? fired the company's deputy chairman, who is also his cousin. and his confidents, transferring them to the construction unit for of Hyundai Group, South Korea's largest family-run con'7:")

• NTT Mobile Communications Network Inc., Japan's largest cellular-phone company, is negotiating with Excite. Japan about obtaining content from the Internet services company for its data phone, Excite Inc.'s president, John Polumbo, said.

• Taiwan's exports grew 6.8 percent in the first two months of an 1999, to \$17.40 billion, because of an increase in shipments to the United States, Europe and Japan.

Banking Co., which will become a subsidiary of Fuji Bank this month. about putting money into China and be wary if a government: guarantee is needed to justify risk.



nies, helping extend its dominance of one of the world's fastest-growing States. software markets, people familiar with the plan said Monday.

software, which is used for hand-held computers, to video compact disk players and television set-top boxes in China, the sources said.

after a trip to Hong Kong, where he is to announce on Tuesday an aland interactive games to consumers in Hong Kong.

# Microsoft Prepared POSCO to End Dual-Pricing System

sible trade sanctions by the United siders a form of indirect subsidy.

The so-called Venus project will from the company, known as probably be unified soon. We don't For POSCO's customers, stakes extend applications of Windows CE POSCO. Many South Korean want to give any excuses for the U.S. are high. "The euphoria is gone," companies are trying to export their to think that we're not being fair." way out of the nation's deepest re-

cession in 45 years. Since the early 1970s, the state-The project will be announced in Shenzhen on Wednesday by Microsoft's chairman, Bill Gates, the people said.

Shenzhen on Wednesday by Microsoft's chairman, Bill Gates, the people said.

Shenzhen on Wednesday by Microsoft's chairman, Bill Gates, the people said.

Shenzhen on Wednesday by Microsoft's chairman, Bill Gates, the people said.

Shenzhen on Wednesday by Microsoft's chairman, Bill Gates, the project will price most who asked not to be named, said the Mark Ltd.

Of Japan's 17 no of that metal out of the U.S. market, move could "significantly hurt analysts said. Last year, U.S. steel earnings," depending on how people said.

For export than for materials that will imports surged 33 percent, to 37.7 POSCO implemented the change. largest, and its said. people said. for export than for materials that v
Mr. Gates plans to visit Shenzhen be used on the domestic market. South Korean steel exports to the

United States climbed 26.2 percent liance with Hong Kong Telecorr to 273,059 tons in January, while ident Bill Clinton's administration munications Ltd. to deliver movies exports by other major producing to impose duties oo imports. countries fell.

SEOUL - Pohang Iron & Steel South Korean officials last week, SHENZHEN, China — Microsoft Cop. will announce alliances with at least six Chinese electronics compa-

> This is a preventive move The move may hurt around 130 said Jeong Yeon Tae, a POSCO customers who buy raw materials spokesman. Our sale prices will

The U.S. Commerce Department has imposed duties oo Japanese and rea's second-largest steelmaker and Brazilian steel of as much as 80 a POSCO customer. The manager, imports surged 33 percent, to 37.7 million metric tons - a rise that prompted U.S. steelmakers and their allies in Congress to pressure Pres-

omntries fell.

The abolition of the dual-pricing Shares in POSCO system is "the right move in the cent to 58,000 won.

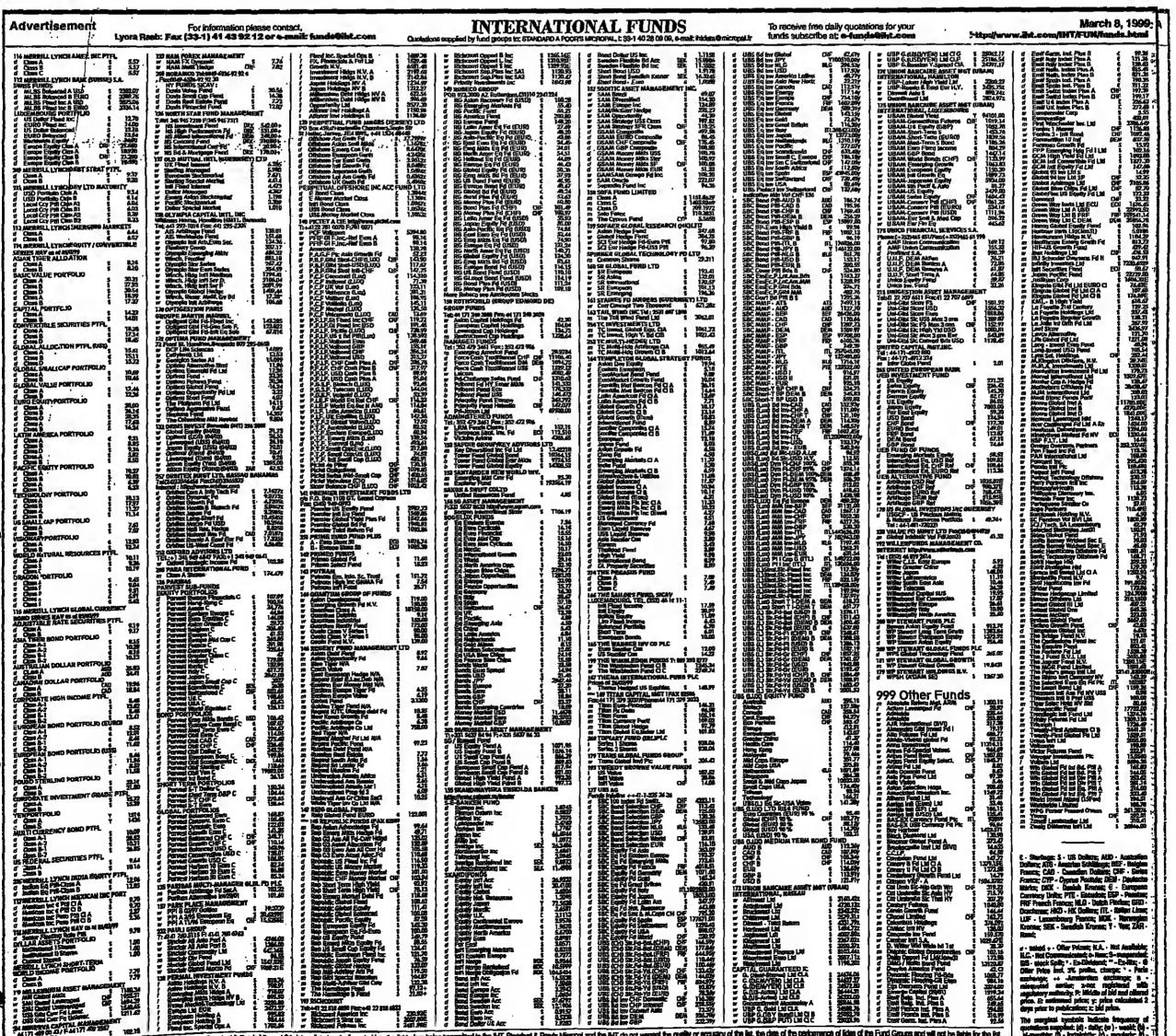
tative, Richard Fisher, meeting with right direction," said Kim Ho Cheol, a steel analyst at Credit Suisse First Boston Inc. "It's better for the government to let go of its control ahead of the privatization than to risk U.S. trade sanctions.'

Japanese steelmakers, also facing U.S. sanctions, said they did not have a dual-pricing system.

said the purchasing manager at In-chon Steel & Iron Co., South Korea's second-largest steelmaker and

POSCO, which serves about 75 percent of the domestic market, earned a record 1.12 trillion won (\$902.1 million) last year, spurred by increased overseas sales,

Shares in POSCO rose 4.7 per-



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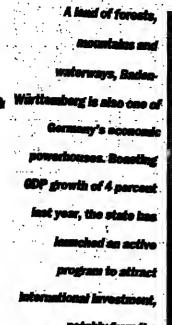
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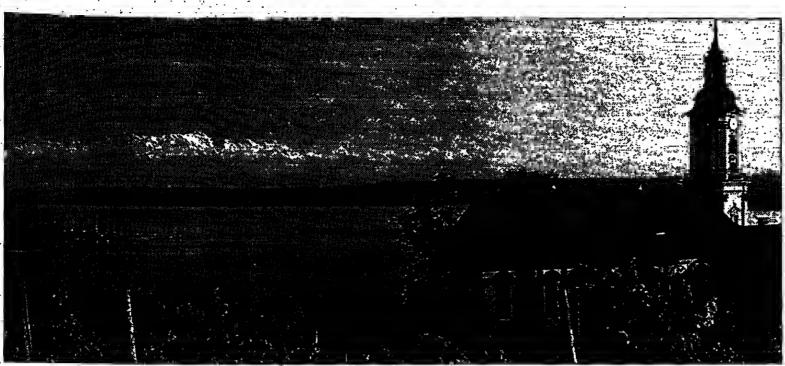
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# BADEN-WÜRTTEMBERG









# SHARING THE WEALTH WITH INWARD INVESTORS

Baden-Württemberg had a good year in 1998, showing rises in productivity and exports and a drop in unemployment.

aden-Württemberg's gross in the Asia market, believe that it's worked to get these companies to do business assets, and it's my objection domestic product rose by 4.1 about to stage a great comeback." a little selling on behalf of Badentive to fully activate it."

He adds: "We also believe in Wirttemberg to the big bosses back largest increase recorded by Germany's 16 states and was a whopfor the country as a whole.

In 1998, Baden-Württemberg ductivity. Employment rose in the industrial sector, reversing a long-ment activities on North America. doing. term trend and giving the state Germany's lowest rate of unemployment as of February 1999.

Armed with these statistics, Baden-Württemberg's economic relationships forged over the pre-development officials have vious decade. launched a worldwide campaign to secure inward investment. Their efforts are taking them to the farthest corners of Asia and North America four official visits to and events in - and of the state itself.

Explaining why a number of senior

maintaining continuity of contact home. with our business partners, no matter ping 41 percent above the GDP rise what their current situation happens he explains, "I urge the state-based are doing." The "others" are Ger- for Baden-Württemberg in Ameralso smashed its annual records for many's other states, which have ica to make sure the parent compa-mighty automobile, industrial facil-exports, industrial output and pro-largely abandoned Asia and are now nies know how well their local subities and electronics/information focusing their investment recruit—sidiaries and the state itself are technology sectors, industrial sales ment activities on North America. doing."

were up 7.5 percent in 1998, the

> The minister's view of a pending return to form in Asia is shared by the state's private sector, which has

North America," notes Mr. Döring. His ministry is staging no less than the United States and Canada in novel factic to secure investment from North America, which goes by state officials have traveled to China the name of "inward marketing." and other parts of Asia during the The ministry maintains close ties to

"At our frequent get-togethers," to be, and no matter what the others executives to do some cheerleading

The ultimate goal is to induce the parent company to make follow-up cades. Total industrial sales came to investments in Baden-Württembeen busy broadening the working berg. As the recent examples of Hewlett-Packard, TRW and other American industrial powers show, "We aren't, of course, forgetting this inward marketing has been suc-

means restricted to our Americans," Mr. Doring adds. "Among many 1999. It is also employing another, other nationalities, we have a large we've also been urging them to relay the word back across the border. Our large stock of successful foreignowned subsidiaries constitutes one defined as the output per employee these operations to yield a further

Strong performance Cheerleading for Baden-Württernberg is easy these days, thanks to the latest economic figures. Riding the strength of Baden-Württemberg's largest climb in more than two dea record 406 billion Deutsche marks DM, or 39 percent (itself an all-time

cent over 1997's figure.
The strength of its industrial sec-"Our inward marketing is by no tor has allowed the state to make a rate. By February 1999, Baden-Württemberg, with a 7.1 percent rate, had passed neighbor and archfigure among Germany's states.

Baden-Württemberg's 3.6 perpast few months, Walter Döring. Baden-Württemberg's 250 "Amer- large stock of successful foreignBaden-Württemberg's minister of icans" — the U.S.-owned compaconomic affairs, says: "Wespicieve Traces in the state. Acr. Döring has of Baden-Württemberg's greatest in the state — explains the state's jump."



(\$226 billion). Of that, 160 billion record highs and country-wide lows. The rise pushed the state's five-year high), came from exports, up 7 per- average productivity increase to 3 percent, the largest climb in the state's economic history.

"Our state's companies are serious dent in its unemployment among Europe's leaders in incorporating advanced, on-line systems into their production, distribution number of Swiss- and French- rate, had passed neighbor and arch- and marketing operations," says Mr. owned companies in the state, and rival Bavaria to assume the best Doring. "This ongoing trend is imparting them an ever-greater pro-ductivity. I expect the ongoing ad-

# **FACTS AND FIGURES**

### BADEN-WÜRTTEMBERG

Population: 10,075,000 Area: 35.751 square kilometers (14,300 square miles) Capital: Stuttgart (pop. 599,000)

> Other major cities: Mannheim (318,000) Karlsruhe (279,000) Freiburg (196,000) Heidelberg (140,000)

Prime Minister: **Erwin Teufet** Deputy Prime Minister and Minister of Economic Affairs: Walter Döring

### GERMANY'S GROWTH LEADER (Real rate of GDP growth in 1998 in %) Baden-Württemberg 4.1

Lower Saxony 4.0 Bavaria 3.4 Bremen 3.4

Germany 2,9

(Source: Germany's Federal Office of Statistics)

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Landesbank Baden-Württemberg

# BADEN-WÜRTTEMBERG

# THE DEAL-CLINCHER: CLOSE ATTENTION TO DETAIL

Point-to-point selling is the way the state is going after high-tech companies with an interest in expanding internationally.

he "show-and-tell" era in Baden-GWZ (Baden-Württemberg Agency for the rest of the world over the past deline publicly owned corporation charged with representing the state around the out our brochures and show potential investors where our state was and what the properties of the rest of the world over the past decades. "Any trading relationship produces a wealth of knowledge about the company one is dealing with," points out Werner Schmidt, chairman of the board at Landessbark Baden-Württemline hydrogeness community and those of the rest of the world over the past decades. "Any trading relationship produces a wealth of knowledge about the company one is dealing with," points out Werner Schmidt, chairman of the berg, the state's largest bank. "This inour business community did are long gone. Today's investors have a detailed knowledge of our state's business community and the sectors comprising it. for that matter — have more internaThe questions they now pose to us are tional trading relationships than BadenCentral and Eastern Europe. also detailed: Which of my suppliers or competitors is located in city X or region Y.2. Which new logistics facilities are being completed in Baden-Württernberg this year?"

company's home base. No business sector in Germany — and few in the world, up their factories in Asia and North Württemberg.'

leaders. During the last 50 years, nearly information seminars were no longer in

cilities in the state.

Active outreach board at Landesbank Baden-Württemberg, the state's largest bank. "This information extends to the features of the business into on-site production abroad.

/ürttemberg." The shift has changed the form and Even more information comes out of content of GWZ's outreach to non-Gerthe process of investment. Here, too, man investors. "By the early '90s, it was Baden-Württemberg is among Europe's clear that these show-and-tell general

O.K.

he "show-and-tell" era in Baden—
The shift is partly a by-product of the all of the industrial powerhouses in demand," says Mr. Ferdinand. "We acWürttemberg is over. Says Klaus ties forged between Baden-WürttemEurope and North America have set up cordingly moved into events, held in the Ferdinand, managing director of berg's business community and those of production, distribution or logistics fa- countries we had targeted, that showcased our advanced technologies and the scientists and companies that created them. We figured that the foreign A large amount of investment capital has companies' interest in getting a peek at also been flowing out of the state. our exciting innovations could be parlayed into working relationships down the road.

The strategy worked, producing a large number of binational licensing and joint-development arrangements in the and industrial electronics sectors, among

Over the last few years, GWZ has focused its investor outreach on small, rates of growth and their propensity for nies? "The large ones have already in-young, high-tech companies based in setting up shop abroad. "We go and vested in Baden-Wirttemberg," he Taiwan, Singapore, California and other make presentations to young companies points out.

Invest in

the location

Targeting the world: Many state companies have also set up production facilities abroad.

this process of preselection looks at the companies' investment potential, their Why the focus on these small compacompanies' investment potential, their

hotbeds of start-ups and innovation. The that have already demonstrated that they microelectronics, medical technology agency or its representative first puts have the potential to grow strongly and together a list of interesting companies; to expand into the European market,"



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- a complete range of cultural, sporting and other leisure-time pursuits
  an ample stock of housing
  a high quality of life

### Bretten has

- a fully developed industrial area that can be extended
- a diverse mix of small and medium-sized enterprises (oh, beautiful) 10 companies active in the international trade established since 1997
- low rates of trade taxation
  a full range of educational Institutions
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### Services

- provided by the Office of Business Development
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- the furnishing of information on public sector support
- the facilitating and expediting of construction plans (less than six months) and other official approval processes
   the furnishing of information materials

### Interested

- in finding out more about your future business base?
- Then please contact: Bretten's Office of Susiness Development. Your partner for success.
- For further information Uwe Reinhard - Head of Department - Untere Kirchgasse 9 - D-75015 Bretten
- Tel. (+49-7252) 921-230 · Fax (+49-7252) 921-160 Internet: http://www.bretten.de · E-mail: reinhard.uwe@bretten.de







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Email: gwz@gwz.de

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# You're right to be excited about Baden-Württemberg and its companies

The Baden-Württemberg Agency for International Exercising Cooperation GWZ, can provide you with all the information you need about the Germanis. Southwest. GWZ is your contact when it comes to international company cooperation. GWZ provides support for companies and investors interested investors, as well as enterprices which want to establish business contacts with firms in Baden-Württemberg. As the came a set of call GWZ across comprehensive information on locations and a wade range of pasmess services

For further information about Baden-Wärttenberg er 6972, please co

Baden-Wärttemberg Agency for International Economic Corperation - GWZ -Willi-Bleicher Str. 19, O-70174 Stuttgart Telephone: +49/7 11/2 27 87-0, Fax: +49/7 11/2 27 87-22 Internet: http://www.business.germany-south







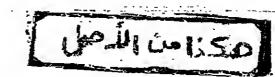
Exhibition at MAASTRICHT March 13 to March 21, 1999. Booth 468 Tel: 00 31 43 383 8661

Exhibition at PARIS from March 24th to April 24, 1999. 134, rue du Faubourg SalriLHonoré - 75008 PARIS - FRANCE. Tel. 00 33 (0)1 53 75 06 48 - Fax 00 33 (0)1 53 75 06 50

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# BADEN-WÜRTTEMBERG

# BANKING MERGER CREATES REPOSITORY OF EXPERTISE

The new Landesbank Baden-Württemberg aims for know-how and speed.

t would appear to be more of the same Landesbank's back offices. "We're in the turers are producing and exporting an ever-greater number of automobiles, printing machines, X-ray devices and other local industrial specialties. They are building new facilities and expanding existing ones.

These developments have further stoked to need for trade and capital investment mancing, two mainstays of the banking reason for speed. "A customer ordering or the need for trade and capital investment financing two mainstays of the banking sector. To the outside observer, the only notable change in the sector involves its

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TOWN DOS CHARGE

In a move that took effect on Jan. 1, 1999, Landeskreditbank Baden-Württemberg (L-Bank), the Südwestdeutsche Landesbank (Südwest LB) and the Stuttgart-based

their own fields. L-Bank provided a wide range of financial services and products to tronics. This emergence does, however, the state's public sector and to many of its constitute a great challenge to us at Landesbusiness heavyweights and real-estate debank."
velopers. Südwest LB provided national He a and international-level services to and for its much of our state's small and medium-sized owners, the state's savings banks. One of enterprises, we are the first ones these young these, the Stuttgart-based Landesgirokasse, companies come to when they need capital. operated a chain of savings banks covering all of the former kingdom of Wirttem-evaluate the quality of the companies' man-

The new Landesbank Baden-Württemberg, with a balance sheet total of 428 billion companies' state-of-the-market technol-Deutsche marks (\$239 billion) is the seventh-largest bank in Germany. In terms of the capacities of our in-house departments profitability, it ranks fifth.

The new bank is particularly active in Baden-Württemberg where, as its chair-man, Werner Schmidt, points out, it and the state's savings banks hold a more than 50 percent share in many of the banking sector's retailing, corporate and wholesaling segments. With headquarters in Stuttgart, Mannheim and Karlsruhe, the new bank has m) more than 230 outlets in Baden-Wirttem- actions and providing services on the in-

Its size notwithstanding, the merger hasn't really attracted much notice among the banks' customers. There's been no real change in the "interface" they deal with, although a major new corporate-identity building program for Landesbank in now in

According to Mr. Schmidt, the lack of front-counter alterations is more than out- process of succession, or even in finding a weighed by the changes taking place in successor for them." •

for Baden-Winttemberg's banking sec-tor these days. The state's manufac-

requesting information via an on-line icon expects to receive an appropriate response within a very short period of time," he

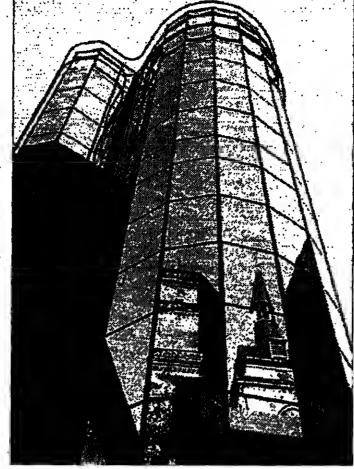
The changes currently taking place in Baden-Württemberg's business community also affect the bank. "Whole new sectors are springing up in the state," says Mr. Schmidt.
"I'm thinking about multimedia and bio-Landesgirokasse merged, forming Landesbank Baden-Wilhttemberg.

The banks were already successful in reliant on our "big three"—automobiles, industrial equipment and facilities, and elec-

He adds: "As the banker of choice for companies come to when they need capital. agement, one of the two criteria involved in lending money. But an evaluation of the ogies and know-how --- that's often beyond covering high tech, or those of any other

To get these authoritative evaluations of a start-up's products and services, Landesbank calls on the services of a coterie of outside experts, many of whom have now settled in Stuttgart. They join the bank's own in-house group of financial experts with years of experience in managing transternational level.

Products and services aren't the only things changing in the business community. Mr. Schmidt points out: "Many of our state's companies were founded in the years after World War II, which means that the people who founded them are nearing the ends of their working lives. These founders often turn to us for help in structuring the





The state's new generation of companies not only reflects the business achievements of the past but embraces the evolving marketplace of today.

# THE GLITTERING PRIZE: A FUTURE IN E-COMMERCE

A new contest provides backing for start-up companies rich in ideas.

capital, would be impressed. U.S. est source of venture capital, which funds plans for e-commerce-based business.

The one proviso: The plan has to be better than those of the 180 other entrants of the CyberOne contest being staged by Baden-Württemberg: Connected. The contest, now in the process of selecting a winner, offers a range of prizes.

The first-prize winner, to be named in April at a ceremony presided over by Erwin Teufel, Baden-Wurttemberg's governor, will receive 50,000 Deutsche marks (\$28,000) in cash. The prize money is being provided by SAP, Hewlett-Packard, debis Systemhaus, tesion Communikationsnetze and 14 other state companies, which to- government. gether have forked over 700,000 DM for the

Thirty-five other companies are also sup-porting Baden-Württemberg: Connected (bwcon), the event's organizer. Bwcon is a private/public-sector partnership working to foster the transformation of the state's economy, according to Klaus-Dieter Lai-dig, head of CyberOne, "from one based on production to one thriving on processing information." Mr. Laidig is a senior IT executive with activities in both Germany building blocks of modern music. "Since and in California.

The contest winner will be eligible for ture Capital Fund and, along with the companies finishing second and third, will be assigned a "start-up coach." The coaches will provide their services to the new companies on a one-day-per-month basis. Other experts will help the winners

get their Web sites up and running.

"The contest is filling a gap," points out
Klaus Haasis, managing director of both
70174 Stuttgart Baden-Wirttemberg: Connected and MFG Medien- und Filmgesellschaft Baden-Württemberg mbH, the state's multimedia http://www.bwcon.de or

ven America, the home of venture ital, from both the state banks and from specialist companies, is widely available in venture capitalists specialize in providing "early stages" funding — a good description of Baden-Württenberg's newest source of venture capital, which funds burning in their heads hasn't been readily

Mr. Laidig points to the wealth of new ideas the contest is attracting: "Of the 66" full-fledged business plans received, softvail," he says.

Sweat equity

Many tales of public-sector assistance not withstanding, a number of Baden Württemberg's multimedia companies have blossomed into international successes without ever receiving a pfennig from the

One of them is PXD Software GmbH. Its success is due to "E-Jay," a program that allows home users to compose their own hip-hop, rap or techno songs, and to do so without having the slightest ability to play an instrument or read and record music. "That's a large part of E-Jay's appeal — that it's simple to use," says Helmut Schmitz, the company's owner.

we recorded in a garage, we can really say we're a garage company," he adds. A prosupport from the Baden-Wirttemberg Ven- grammer then designed the easy-to-use interface allowing people sitting at their PCs to mix and match sounds.

> For further information on CyberOne Baden-Württemberg; Connected 70174 Stuttgart Tel.: (49 711) 122 28 47

Fax: (49 711) 122 28 45 business development arm, "Venture cap- http://www.cyberone.de

"BADEN-WÜRTTEMBERG" was produced in its entirety by the Advertising Department of the International Herald Tribune It was sponsored by the Baden-Württernberg Ministry of Economic Affairs and the display advertisers. WRITER: Terry Swartzberg in Munich. PROGRAM DIRECTOR: Bill Mahder.

# AN EXCELLENT YEAR FOR JOB CREATION

The merger of Daimler-Benz AG and Chrysler Corp. has been good news for the local workforce.

crease staff by record amounts.

On Feb. 22, 1999, a new, ger. direct air link was launched between Stuttgart and Detroit. Merger's effects The airline flying the route — Along with new, high-capa-DaimlerChrysler Aviation — city data-transmission links, DaimlerChrysler Aviation is also new. Use of its Transat- the Transatlantic Star is, aclantic Star aircraft is restricted cording to a DaimlerChrysler to the personnel of the newly merged companies.

Exclusive airline According to Daimler-Chrysler, the Transatlantic merger." Star's passengers include the

the technical side of the mer-

Baden-Württemberg,

The psychological impact

nstead of looking at lay- nies into a single unit. Joining and its capital city. Baden- 1998, DaimlerChrysler Geroffs, as is the case in much these human-development, Württemberg can now lay of the rest of corporate logistics, marketing and ac- claim to an unprecedented Germany, many of Baden- counting managers are mem- string of "number ones" in Württemberg's major em- bers of the line personnel — Europe, including the Con-ployers are planning to in- largely information-technol-tinent's largest industrial corogy experts - responsible for poration (DaimlerChrysler), IT company (IBM Germany) and software developer reports the magazine.

Now hiring

great boost to Baden-Württemberg's economy in spokesperson, "probably, for 1999. This impetus, however, Stuttgart and the rest of is not an after-effect of the the merger, but rather a continumost important physical ation of the growth being rechange resulting from the corded by the company's domestic operations.

200 executives charged with of the merger has, of course, ducted by Wirtschafts Woche, workforce in 1999, by 9.3 integrating the two compabers great, both for the state

many (the old Daimler-Benz) plans to increase its total workforce by another 8,000. Most of this hiring will be in Baden-Württemberg, and will be for Mercedes-Benz's new and expanded factories,

That increase puts DaimlerChrysler at the top of the list of Germany's best job DaimlerChrysler is set to give creators. Other state companies in the list's top 10 include Robert Bosch (fourth), IBM Germany (sixth), SAP (ninth) and Manpower (10th).

Another Baden-Württernberg-based company. Trumpf, a manufacturer of industrial equipment and facil-According to a survey con- ities, plans to increase its

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# NEW IDEAS FROM SCHWÄBISCH GMÜND

A network of institutes and business development programs has helped create the multimedia sector.

timedia sector now has a depth unated Inform, is reportedly holding "seart and media technologies. matched elsewhere in Continental rious discussions" with Microsoft and Europe. Its current crop of innovations other major companies. stands to change the look and feel of the internet — and the ways the state's search engines—that alone is worthy of where of Schwäbisch Gmünd's emer-

ganization and presentation of information on Web sites and databases. The image-driven system allows for the flu- Once upon a time id, side-by-side arrangement of data; it Danijela Djokic, Martin Grothmaak and also provides on the spot summaries of formation-seeker.

sites, which often involve minutes of hind the founding of MFG. sites, which often involve initiates of dogged, blind clicking on underlined words, and the printing out of many words, and the printing out of many pieces of paper just to have the few scraps of useful information contained at vises them on sources of imancing and each of the site's levels.

Along with Inform's elegant look and imedia Transfer prize, awarded at the dika '99 multimedia trade fair (held in berg mbH, the state's multimedia busi-

ness development and state been often evokes Stungart, Freiburg and esthe company. ness development arm.

businesses produce, market and invoice front-page coverage, which is what the gence as a center of multimedia despectation products and services. The Inform system improves the or-

This is a sharp contrast to today's berg's government, which was also be-

tential partners and customers, and ad- Keeping abreast of Baden-Württem-

Schwabisch Gmund." houses and its famous market square. To

rears of systematic, state-wide quick to see the potential of the new public-sector support are paying off: Baden-Württemberg's multionsgestaltung, the company that cre-

"Our school has preferred to keep to itself," says Ms. Djokic of the relative A new, market-creating design for lack of awareness in the state and else-

Professor Horst Autzen, head of multimedia development at Baden-Wirttemberg's Ministry of Economics, has a different view. "We've reached the point where there are so many nodes of Jürgen Spath started out as students of multimedia activity in the state that it's also provides on-the-spot summaries of media design at Schwäbisch Gmünd's getting nearly impossible to keep up what hes below and next to each layer of media design at Schwäbisch Gmünd's getting nearly impossible to keep up with the sector," he says. "Complicating the interface being accessed by the interface being a

berg's multimedia sector is worthwhile, however, because of its market-creating "We've received quite a bit of nur- innovations. One example is the visu-Along with into the turing," says Ms. Djokic. She adds: "We alization programs produced by feel, its attributes stand to make the ncei, us autioned system the coming are by no means exceptions, either in the Freiburg's Virtual Identity GmbH. Seinformation design system are countries amount of assistance received or in the lected by Intel to demonstrate the castandard on the intraction of the result of This might be news to many people in things, equip salespeople with the ulthis '99 mathements trace ran the distribution of the ability to turn potential capites in February) by MFG Medien-Cannes in reordary) by the Country to turn potential sociate the city with half-timbered customers' desires into actual items. "Our programs take the guesswork out the state's residents, "multimedia" most of purchasing," says a spokesperson for

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# BADEN-WÜRTTEMBERG



# FLOATING PAST PALACES, FORESTS AND WILDLIFE

Seeing Baden-Württemberg by boat offers some If the best sights of town and country.

or most of Baden-Württemberg's history, the Rhine,

Danube and Neckar provided the best routes through the state, which consists of rugged mountains and hills, king land-based routes winding and long. Not surprisingly, rly all the state's main cities are to be found on the rivers, or Lake Constance, which is fed and drained by the Rhine. Today, these waterways and their lesser-known counterprovide a relaxing way to take in the state and its many

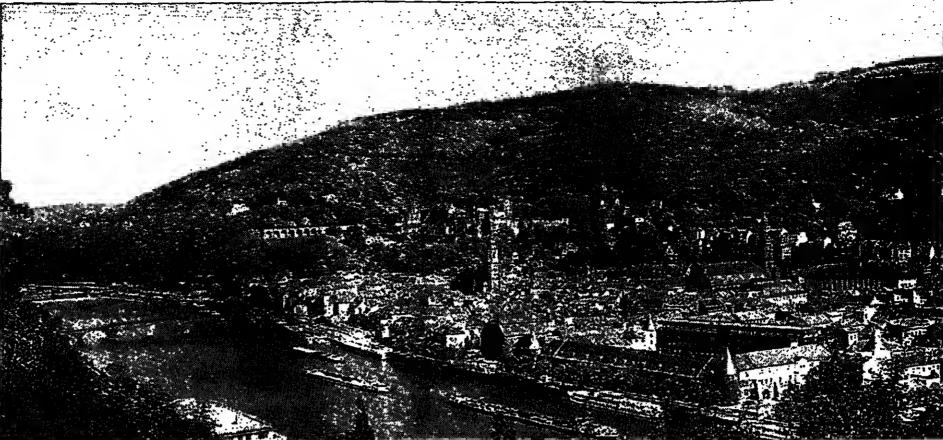
Constance
Later Constance is partial Europe's largest body of water. Lake Constance is carried by a grid of ferries (36 ships all told, 17 of them in Maker-Württemberg) and by cruise ships that go out for a few them or an entire day. Besides prosperous Konstanz, the lake's apossicial capital. well worth a visit are Meersburg, an idyllic village of wine-growers perched on a steep lakeside slope; Therlingen, an clegant spa; and Friedrichshafen. While it backs some of the historic charms of its lakeside neighbors, Miedrichshafen does offer the sight of a locally made zeppelin

being put through test runs above the city.

The lake's most popular attractions include two islands basking in a subtropical microclimate. Mainau, which is overed with millions of flowers, attracts 1.5 million visitors a Dear and has thousands of palm trees as well as several baroque balaces. Reichenau is home to Germany's oldest monasteries well as gardens that produce 5,500 kilos (12,100 pounds) of vegetables per inhabitant per year.

Down the Rhine

Baden-Württemberg has spectacular Rhine-side scenery, in-cluding the wooded heights of the Black Forest and several deep gorges. Most of the cruises down the Rhine include side trips to the memorable cities located a few kilometers inland from the river, including Heidelberg, Freiburg and Baden-Baden. Main ports of call for the cruise ships are Karlsruhe, Kehl, Weil, Breisach and Mannheim.



Weterways like the Neckar have historically linked the communities of Baden-Wirttemberg and still provide one of the best ways to visit the state's many well-known cities, such as Heidelberg, above.

The Schluchsee and Titisee are brooding bodies of water Eberbach and Heidelberg — all ports of call for the Neckar watching. Canoe hiking is also popular on the state's less well-known rivers: the Tauber, Jagst, Murg and Kinzig. located in the southern reaches of the Black Forest. Here the mountain range reaches its highest points. The lakes are popular with visitors to the forest, many of whom are hikers who use the ferries plying the lakes as a break from the pleasurable and exhausting business of trekking up and down the forest promontories.

Less well-known than the Rhine, the Neckar is indisputably Baden-Württemberg's "downtown" river, linking many of its most important communities to each other and the outside jumping-off point for "canoe hikes" — organized trips taking E-mail: info@bodensee-tourismus.de world. These include Stuttgart, Ludwigsburg, Heilbronn, groups upstream for several days of paddling and nature—Internet: http://www.bodensee-tourismus.de

Origins of the Danube The Danube's source is one of three springs. All of them are located in southern Baden-Württemberg. The river is still pretty much a stream for most of its passage through the state —too small for cruise ships, but perfect for canoes and kayaks.

Both are available in the Danube communities. Ulm is the

For forther information: Internationale Bodensee Tourismus GmbH 78465 Insel Mainau Tel: (49 7531) 90 94-0 Fax: (49 7531) 90 94 94

# New Universities, REAL AND VIRTUAL

"One community-level investment: campuses.

n late November, the Uni- from them will receive B.A.s latest university to set up shop United States and elsewhere, in Baden-Württemberg. The but virtually unknown in the yldSQ's European Center of immutable world of German Study and Research will be education until a few years located in Bretten, a pleasant ago.
Town of 26,000 located a few

miles down the road from Market-driven Bruchsal, in northwestern Baden-Württemberg.

Bruchsal is home to the luternational University, which opened in September 1998. Both these cit-1 ies are about threequarters of an hour from Stuttgart, whose Institute of Management and Technology will open its doors in Walter Döring,

November. minister of These three univer- economic affairs. sity start-ups have received generous support from These institutes of profestheir communities - largely

versity of Southern and M.A.s - degrees that are Queensland became the standard in Australia, the

These degrees are now in de-

courses of study

Berufsakademien. sional education offer fastnew universities' main lan- ented toward "real world" information. For this reason, the teachers. guage of instruction is Eng-lish, and students graduating institutes' graduates are in

mand by Germany's business community, which sees the

leading to them as attuned to the needs of ployers. The today's fast-moving world of commerce. In responding to the needs of the local business community. the new universities' founding parents are emulating Baden-Wurttemberg's eight



All of the state's public universities and polytechnics offer international track courses.

high demand by local em- Baden-Württemberg,

Berufstate's sakademie movement started in Mannheim, a half-bour from Bruchsal and Bretten. The proximity of the Berufties in Bruchsal, Mannheim, was, in fact, one reason the the community as the site of their new campus. The cluster in the form of facilities. The track courses of study ori- of universities, they reasoned, would make it easier to recruit

By setting up shop in

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of a number of American universities that have established campuses in Heidelberg, Schwäbisch Gmind and Stuttgart. As was the case sakademie and the universities with the USQ, the universities and groups starting up these Heidelberg and Karlsruhe campuses were wooed by communities throughout Ger- years, all of the state's nine directors of the USO chose many and Europe as a

> Self-interest Why are the communities in-

terested in fostering these a campus — especially one have received an internationtown sends a valuable signal to potential investors: 'You'll find qualified personnel

Waiter Döring, the state's vestors, a local university is often a must for any site under consideration," he says. "But these universities play anoth- Deutsche marks (\$28 million) er role in fostering business to these six projects. The term development. They constitute of funding is the next five a key link in what I call the years. •

'chain of innovation.' They USQ was following the lead help us keep our talented youth within the state, keep them learning and innovating

> As Mr. Döring points out, a willingness to innovate is by no means confined to the state's new universities and campuses. Over the last few public universities and 40 polytechnics have launched international-track" courses of study.

Many of them are offering these courses jointly, via the campuses? "Two reasons," six "virtual university" pro-says Paul Metzger, mayor of grams now available in the Bretten. "A new campus cre- state. Of these, the "Virtuates jobs. And the presence of Grade" is the most ambitious. VirtuGrade is short for "virturning out graduates who tual graduate studies," which is what these linkups of nine al-style education - in a German and several foreign universities are providing. Subjects covered include computer sciences, economics and chemical engineering. VirtuGrade's "server" (the minister of economics, coordinator of content and agrees. "For international in-rules of study) is the Uni-

versity of Tubingen. All told, the state govern-

# 'GREEN' ENTREPRENEURS ALSO MAKE A TIDY PROFIT

Businesses are combining environmental friendliness with economic success.

counting for nearly 19 percent of the global output of "green" products and services. Many of these goods and services come from Baden-Württemberg, which has the largest environmental technology sector

among them is Solar-Energie-Systeme GmbH both Germany's ecologists and its business minded consumers. community.

Germany's market for photovoltaic systems was dying in 1991. The country's major producers were closing down their production facilities or relocating them to more promising areas, like the United States.

It wasn't an opportune time to set up a new operation, especially for a man with no experience in planning and assembling photovoltaic systems, and one whose entire capital came from the proceeds of selling the family

Audacity

Ignoring these inauspicious signs, Georg Salvamoser, previously a vendor of prefabricated houses, went ahead. His first move was to relocate to Freiburg. Located at the base of the Black Forest, the city has become Germany's "solar city." The Fraunhofer Institute for Solar-Based Energy Systems (FISES) serves as the hub for the myriad solar-related development and marketing activities in the city.

Working with the institute, Mr. Salvamoser, then 41 years old, began operations. He soon found an important backer, the locally based Alfred Ritter, one of Germany's leading manufacturers of chocolate and perhaps its most prominent "environmental angel."

Since 1991, Germany's market for solar technologies has staged a major rebound. The market is currently growing at a 50 percent annual rate. Growing with it has been SES, ment has allocated 50 million now the cornerstone of a rapidly expanding miniconglomerate.

Mr. Salvamoser's factory, commissioned in 1996 and relocated and expanded in 1998, turns out photovoltaic modules with an annual

ermany has the world's largest en-vironmental technologies sector, ac-counting for nearly 19 percent of the output of "green" products and ser-vamoser's prediction for 1999: 25 million

The facility enjoys another distinction: It is reportedly the world's first "zero energy faamong Germany's states.

The sector is predominately comprised of small companies, many of which have been ation facility, it produces all the energy constarted up over the last decade. Prominent sumed by its production and administrative operations. Its net emission of carbon dioxide: (SES), whose founder, Georg Salvamoser, has zero. Another current Salvamoser project: managed a rare feat. He has become a hero to marketing solar electricity to environmentally

> In November 1998, Mr. Salvamoser was named one of the winners of the "German Prize for the Environment." Conferred by the German Foundation for the Environment, the prize bestows a total of I million DM on its winners, making it the richest of its kind in the

Winning the prize isn't why Mr. Salvamoser is so widely admired among Germany's business community, however. It's because all his accomplishments have been achieved without receiving a single pfennig of public-sector support.

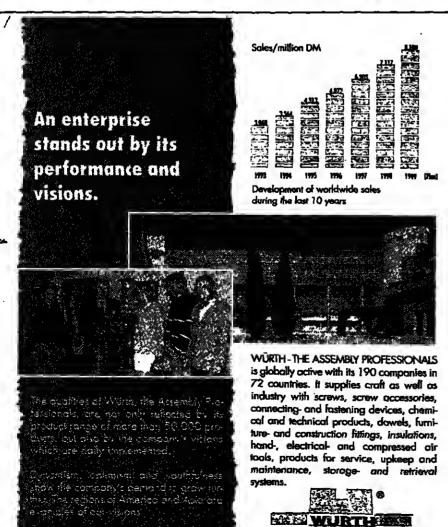
Many of the parts going into Mr. Salvamoser's products were originally developed by FISES's "solar engineers." Their latest innovation solves a huge and growing problem; air conditioners.

In 1997, 34 million of these devices were sold worldwide, states CCI, the Karlsruhebased cooling-trade journal. This number will rise sharply over the years to come, thanks to global warming, population increases in tropical areas and rising standards of living.

Air conditioners consume large quantities of energy, further heating up the environment. They are still often cooled by chlorofluoro carbons and other chemicals responsible for depleting the ozone layer.

The devices now being marketed by FISES have none of these disadvantages. They are partially powered, fittingly enough, by the sun itself. Their cooling agent is water. In fact, the hotter it gets, the better they work.

Institute-made devices are now success fully at work around the world. One of them cools a facility in Sintra, Portugal - which manufactures air-conditioning units. •



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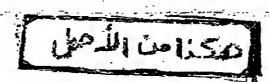
MFG Medien- und Filmgesellschaft. Baden-Württemberg mbH Huberstrasse 4

70174 Stuttgart Tel.: (49 711) 122 28 44, Fax: (49 711) 122 28 45 http://www.mfg.de

Web site offering information on and links to Baden-Württemberg's multimedia scene.

Baden-Württemberg State Tourist Office Esslinger Strasse 8 70182 Stuttgart General Information: Tel.: (49 711) 23 85 80, Fax: (49 711) 238 58 99

Brochures and other information: Prospect Service Baden-Württemberg Wilhelmstrasse 39, 75013 Bretten Tel.: (49 7525) 93 77 30, Fac (49 7525) 87 67 9



INTERNATIONAL HERALD TRIBUNE, TUESDAY, MARCH 9, 1999



# BADEN-WÜRTTEMBERG

# Inst Praise MANNHEIM MAKES MOVE INTO WORLD POWER SUPPLY

This public utility is shaking up the power-supply and financial sectors.

for Germany's financial and energy-supply sectors. On that day, MVV than three other important areas. throughout the country.

the result of deregulation in the European
Unioo power-supply sector. In Germany, this
I deregulation is setting off a

Weckar area, which is getting a spanking new
S-Bahn (light rail) grid, It is being put together
by a consortium in which MVV

scramble for customers parallehing the one now roiling the country's telecommunications sector. That one has reduced the price of a telephone call by around 70 percent in Germany.

According to the oewsmagazine Der Spiegel, the deregulation of Germany's power-supply sector will yield a

year, at least for the country's corporate con-sumers — the target of MVV Energie's sales tivated by enlightened self-interest, says Mr.

The company's shares are now listed on the Stuttgart and Frankfurt stock exchanges. The points out. "We have a tremendous stock of "company's initial public offering was the first expertise in providing 'public goods' in effrom Germany's utility sector — traditionally ficient and environmentally friendly ways. a closed shop — in a number of years. Analysts hailed MVV Energie's IPO as an imsupplies of safe, affordable power and water, portant milestone in the opening of corporate Germany to the international financial com-

Some 40 percent of the orders placed for the company's shares came from abroad, with Britain, itself home to a privatized energy sector, leading the way. In a vote of confidence, MVV Energie's customers and employees also subscribed heavily to the company's offerings. All told, the IPO raised 428 millioo Deutsche marks (\$239 millioo) and was oversubscribed by three times.

Pioneering group

Going public was the latest episode in ooe of nancial statements.

The adoption of the most remarkable stories in German business. Under the aegis of the able and enterprising Roland Hartung, the speaker of its Taking legal effect on Oct. 1, 1998, the restructuring left the group with a holding comheimer Versorgungs- und Verkehrsgesell-schaft) has transformed itself from a sleepy operator of the city of Mannheim's public MVV Energie AG.

arch 2, 1999 was an important day transport, waste-disposal and energy and wa-

Energie AG became the first of Germany's In 1996, Germany's rail grid was region-1,000 municipal power authorities to go pubalized, meaning that Deutsche Bahn AG, the lic. The Mannheim-based company made the country's federal rail corporation, lost its move to raise cash for its new activity: trading monopoly on the provision of regional-level in electricity. A subsidiary of Mamheim's rail services. The right to provide these serMVV group, MVV Energie will buy power
wherever it bappens to be cheapest, and sell it ing great improvements in services in a num-That it or any other company can do this is ber of regions. One of them is the Rhine-

> holds a 50 percent stake. MVV's technicians and ex-

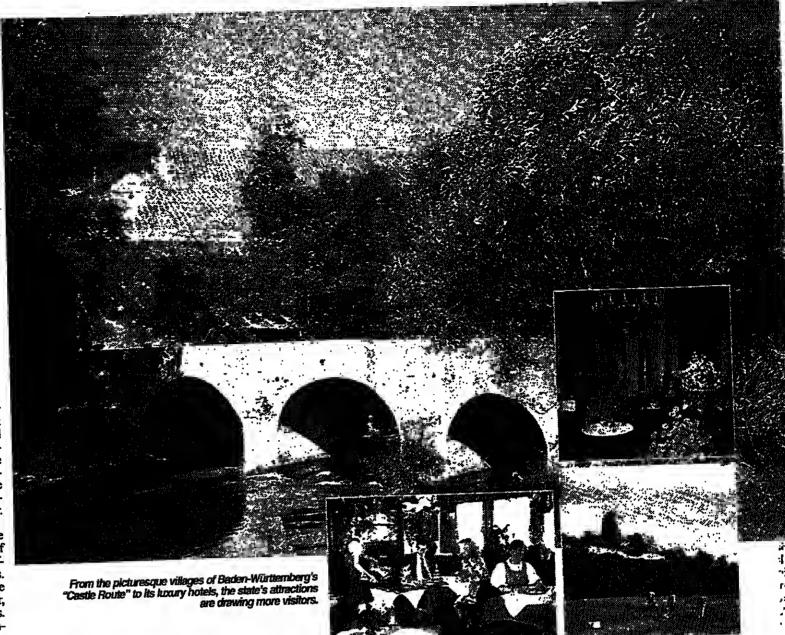
perts are to be found throughout Central and Eastern Europe and the Commonwealth of Independent States, engaged in revamping power plants in Russia and district heating systems in Poland (and doing both in Kazakhstan), assuring the supply of potable water in Bosnia and selling nat-

30 percent cut in electricity costs over the first ural gas in Croatia. MVV's outreach to the

"It's a matter of supply and demand," he or have serious environmental problems. We've entered the market to make full commercial use of this expertise, one of our main assets, and to do our part in improving the quality of life in the region."

MVV has also been making its mark oo the financial side of its business. The group was one of the pioneers of the trans-Atlantic rolling stock leaseback arrangements now standard in Germany's public-transport sector. MVV has also become the first of Germany's municipal-level public services corporations to employ the International Accounting Standards in compiling its fi-

pany, MVV GmbH, and two subsidiaries, MVV Verkehr AG (transport services) and



# OLD AND NEW PLACES TO SEE AND PLACES TO MEET

Baden-Wurttemberg's offerings for visitors include 25 conference centers with state-of-the-art facilities.

The adoption of the IAS was carried out at the same time as the group's restructuring.

The adoption of the IAS was carried out at the same time as the group's restructuring.

The adoption of the IAS was carried out at the same time as the group's restructuring.

The adoption of the IAS was carried out at the same time as the group's restructuring. figure. Reversing a several-year de- Among them are 25 congress and cline, this rise is being credited to a convention centers. rediscovery by the world's tourists of the state's traditional drawing cards, traditional and the newly built. Both which include everything from the kinds feature state-of-the-art technical of facility. Located near the city's spa,

showing for Baden-Württem
Baden. Not coincidentally, the regions include Heidelberg's Neckar-side European cultural history, is the new congress tourism industry, which and communities that tourists are reoew and revamped attractions, the turn of the century. Among the for small-sized meetings of up to 200 participants. Many of these meeting

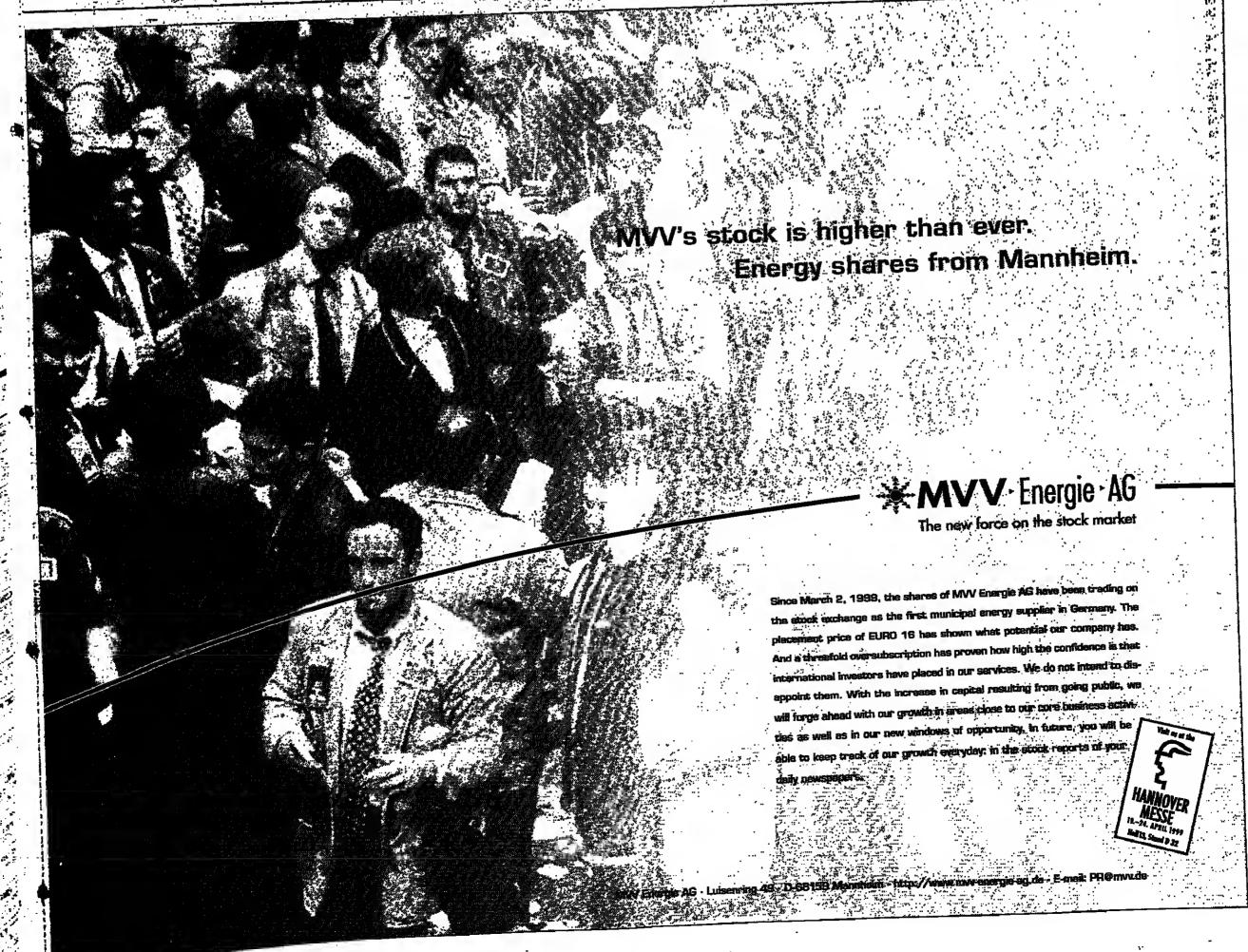
These fall into two categories: the latter can accommodate up to 5,000.

Stuttgart, Freiburg and Karlsruhe. The

Baden-Baden has one of each kind

ast year produced a good Black Forest to the resort of Baden- infrastructure, The traditional venues one of the most famous names, in

tels. Among them: Baden-Baden's Brenner's Park Hotel and the nearby Schlosshotel Bühlerhöhe.



# Herald Eribune PORTS

### WORLD ROUNDUP

### Lakers Silence Jazz

BASKETBALL Kobe Bryant scored 24 points and Shaquille O'Neal added 23 points and 16 rebounds as the Los Angeles Lakers beat the Utah Jazz, 97-89.

Despite a subpar game by Dennis Rodman on Sunday, the Lakers snapped Utah's 20-game home-winning streak and won their seventh straight. Rodman had one point and four rebounds. He also failed to contain Karl Malone, who scored many of his 34 points against

his summer wrestling opponent. • Dave Cowens resigned as coach of the struggling Charlotte
Hornets, unhappy with being one of
the NBA's lowest-paid coaches.
Cowens told his players of the decision before practice Sunday.(AP)

### Collapse by West Indies

**CRICKET** Glenn McGrath and Jason Gillespie of Australia routed the West Indies for its lowest-ever Test score of 51 to secure a mammoth victory by 312 runs Monday on the fourth day of the opening

Cable and Wireless cricket Test. McGrath took five wickets for 28 off 10 overs and Gillespie took four for 18 off 9.1 overs as the West Indies batting collapsed dramatically. The home team's previous lowest total in 349 Tests was 53 against Pakistan in Faisalabad in

 The Asian Test Championship match between Pakistan and Sri Lanka ended in a draw Monday. Sri Lanka, needing 325 runs, was 165 runs for two wickets when the match ended 16 minutes after tea on a rain-curtailed final day. (Reuters)

### Elkington Survives 18th

GOLF Steve Elkingtoo shot an 8-under-par 64 to win the Doral-Ryder Open with a 13-under-par total of 275, despite three-putting on the 18th hole.

Before the 18th, Elkington had birdied six straight holes to charge from six strokes back. The hole then tripped up his two challengers. Ernie Els (70) and Greg Kraft (71) each came to No. 18 needing a par to force a playoff. Kraft bogeyed the hole and finished in second at 276. Els double-bogeyed and fin-ished in a tie for third. (AP)

### Williams Marches On

TENNIS Exactly one week after capturing her first tournament title, Serena Williams upset secondday in the second round of the Evert Cup in Indian Wells, California.

Williams won, 6-4, 6-2. • Jan-Michael Gambill won his first ATP title Sunday, beating Lleyton Hewitt 7-6 (7-2), 4-6, 6-4 to take the Franklin Templeton touroey in Scottsdale, Arizona. (AP)

### Rangers On a Roll

ICE HOCKEY The New York Rangers continued their late run at a National Hockey League playoff place with a 3-1 victory over the Boston Bruins. They have won four of five games since Wayne Gretzky was sidelined by a neck injury Feb. 26. The victory Sunday moved the Rangers to within two points of the Bruins for the final playoff spot in the Eastern Conference.



Joe DiMaggio sliding safely into home in the ninth inning to tie the fourth and final game of the 1939 World Series between the Yankees and the Cincinnati Reds at Crosley Field. New York won in extra innings, 7-4.

# DIMAGGIO: One of Baseball's Greatest Players Is Dead at 84

Continued from Page 1

atest living ballplayer," the man wbo in 1,736 games with the Yankees had a 369 times, one of baseball's most amaz-

Three times DiMaggio was voted his league's most valuable player: in 1939, 1941 and 1947. In 1941, the magical season of his record 56-game hitting streak, he won the award even though

roe, his devotion to her after her death and time the pride and courtliness with which he carried himself throughout his life.

DiMaggio burst onto the baseball 5 with the Yankees and became the successor to Babe Ruth (No. 3) and Lou Gehrig (No. 4) in the team's pantheon.

Sometimes are greatest baseball player of our time."

Joseph Paul DiMaggio was born on Nov. 25, 1914, in Martinez, California.

DiMaggio was the team's superstar for 13 seasons, beginning in 1936 and ending in 1951, and appeared in 11 All-

Star Games and 10 World Series. Bot DiMaggio's game was so complete and elegant that it transcended statistics. He glided across the vast expanse of center field at Yankee Stadium with such incomparable grace that long after he stopped playing, the memory of him in full stride remains evergreen. He got to the ball just as it fell into his glove, making the catch seem inevitable, almost preordained.

His batting stance was as graceful as his outfield stride. His swing was pure and flowing with an incredible followthrough. "He made the rest of them look like plumbers," said Casey Stengel, who managed the Yankees at the end of DiMaggio's career.

When injuries eroded his skills and he could oo longer perform to his own Williams then drew the largest America from Sicily in 1898, was a paychecks in sports — and retired in 1951 with the dignity that remained his

hallmark. career batting average of .325 and hit
His stormy marriage to Marilyn Mon361 home runs while striking out only
roe lasted less than a year, but they remained one of America's ultimate romantic fantasies: the tall, dark and handsome baseball hero wooing and winning the woman who epitomized Hollywood

beauty, glamour and sexuality.

DiMaggio joined the Yankees in 1936, missed three years while he served Ted Williams hit 406.

Besides his numbers, oo one embodied the American dream of fame and forme the 1951 season, when Mickey Mantle or created a more enduring legend than arrived to open yet another era in the Joe DiMaggio. He became a figure of remarkable run of Yankee success. In his unequaled romance and integrity in the 13 seasons, DiMaggio went to bat 6,821 times, got 2,214 hirs, knocked in 1,537 runs, amassed 3,948 total bases and riage to the Hollywood star Marilyn Mon- reached base just under 40 percent of the and fashioned perhaps the most enduring

For decades, baseball fans argued over who was the better pure hitter, DiMaggio burst onto the baseball DiMaggio or Williams, Loog after they scene from San Francisco in the 1930s had both retired, Williams said: "In my and grew into the game's most gallant heart, I always felt I was a better hitter and graceful ceoterfielder. He wore No. than Joe. But I have to say, he was the



\$100,000 salary — he and his rival Ted roe on their wedding day in 1954. Los Angeles.

fisherman who moved his family to the San Francisco waterfront the year Joe

In 1932, when he was 17, DiMaggio joined the San Francisco Seals of the Pacific Coast League, the highest level of minor-league baseball. Three years later, the Yankees bought him from the Seals for \$25,000 and five players.

DiMaggio was brought up to New York in 1936 and made his debut on May 3 against the St. Louis Browns. He went on to play 138 games, got 206 hits with 29 home runs, batted .325 and drove in 125 runs. That fall, the Yankees made the first of four straight trips to the World Series.

He led the league in hitting in 1939 (at .381) and again in 1940 (with .352). Then in 1941, he put together what has since been known simply as The Streak, record in U.S. sports. The Streak began on May 15, 1941, with a single in four times at bar against the Chicago White Sox, and it ended on the steamy night of July 17 in Cleveland's Municipal Stadium before 67,468 fans. The pitchers were Al Smith and Jim Bagby Jr., but the stopper was the third baseman, Ken Keltner, who made two dazzling backhand plays deep behind third base to rob His father, who had immigrated to DiMaggio of hits. DiMaggio had hit in every game for two months, and had

struck out just seveo times. The next day, DiMaggio promptly started a 16-game streak.

On Dec. 3, 1942, DiMaggio enlisted in the Army Air Forces and spent the next three years teaching baseball in the service. He returned to the Yankees for the 1946 seasoo and a year later leading them back into the World Series despite injuries and illness.

His legend took a storybook turn in 1952, when DiMaggio, whose marriage to the actress Dorothy Arnold had ended in divorce, arranged a dinner date with Marilyn Monroe. They were married in San Francisco on Jan. 14, 1954, and spent nine mooths trying to reconcile their differences before they divorced.

But when the actress died at 36 on Aug. 4, 1962, DiMaggio took charge of her funeral and for the next 20 years sent standard, he turned his back on his Joe DiMaggio and Marilyn Mon- roses three times a week to her crypt in

# The Great DiMaggio? He Preferred Just Joe

Grace and Quiet Dignity on Field and Off

By Thomas Boswell Washington Post Service

ASHINGTON — About 15 years ago, Joe DiMaggio and a friend were leaving Cooper-stown, New York, after a visit to the Baseball Hall of Fame. As they drove the back roads of upper New York state, they were deep in conversation and got lost. Finally, they hailed a fellow on a tractor to ask directions. The farmer,

TRIOT SPATANY

apparently unaware of DiMaggio's identity, leaned on the passenger door and, speaking across DiMaggio to the driver, began saying, "You go down about three miles..."

Then, casually, in mid-sentence, he patted DiMaggio on the arm and said, "I see you, Joe," then finished his directions and went back to his tractor.

DiMaggio, who died Monday, loved to tell that story. He never needed to explain it, because it was perfect. You knew he was talking about people—like both the farmer and himself — who understood the virtue of quiet dignity. Knowing who you are. Valuing yourself. Giving other people space and re-spect. Having a sense of values beyond

If he hadn't been such a born ballplayer, DiMaggio might've been the farmer. And the farmer, if he could've hit the curveball, might have been DiMaggio. That's how loe saw it. His gift was special. But he wasn't. He wanted common respect - which he seldom received - but not worship, which surrounded and haunted him for years. Nothing pleased him more than being treated like a normal person which, in every respect except being perhaps the greatest ballplayer who ever lived, he actually was. Not the Great with constant labor.

DiMaggio, Just Joe.

After more than 25 years as a kind of baseball recluse - almost never quoted, seldom seen, slightly mysterious — DiMaggio gradually returned to the edges of baseball in the late '70s and early '80s. You'd see him at Old Timers games, golf tournaments, special baseball occasions or, sometimes, at Baltimore Orioles games when his friend Edward Bennett Williams was the owner.

He overcame his reticence only in the last few years, he once told me. "It has been a tremendous change for me," he said. "I finally conquered that part. I find myself a lot more comfortable with people now. It gradually disappeared with the years.

"For a long time, I would cringe, that I d avoid crowds. It was not for reasons of just... being aloof. I just didn't feel natural. He didn't explain. It's like the farmer story. If you don't get it, why should lo. ball field.' I'd say, 'But I knew what I was doing.' Before a camera or a group of people, I didn't have a performance to give. So I was very, very shy. I wanted to be away from people. I thought I didn't an acute innate sense of what was aphave that much to offer, that much to say, so I used to go into my shell."

Finally, after all those years, what did he find that he had to offer? "My gentleness," he said. "I'm one of the easiest-going guys. I'm patient with people. I don't mind standing and signing. I think I should be flattered.

thing as long as they want me." Right up until the end, everybody in baseball wanted Joe DiMaggio. He never wore out one iota of his welcome. In recent months, "How's Joe?" was

Why not show up? I feel I owe some-

a frequently asked question in press boxes and in dugouts. Once, his old-age illnesses might've seemed to belong to some remote athletic god. But, thanks to

some remote athletic god. But, tranks to the long thaw of his later years, the questions was, "How's Joe?" not "How's DiMaggio?"

Over the last 25 years, he erased all the chilly memories of the 25 that preceded them. To fans in general, he kept his dignity and mystique. But he also learned to let down his guard half-way. Just enough so that he could live a semi-Just enough so that he could live a semi-normal life. Much as he might have denied it, he didn't entirely want to stop being the Great DiMaggio. He just didn't want to be a prisoner of the role.

Baseball fans love their numbers, sometimes until the game is stultified under large piles of them. With DiMaggio, perhaps three statistics are enough to leave our jaws appropriately slack in-appreciation now. No, not his 56-game hitting streak. That wasn't his favorite. He preferred "nine world titles and 10 pennants in 13 seasons." If he hadn't missed his absolute prime — ages 28, 29 and 30 — in World War II, those totals

would have been higher.
However, one other number might gain some respect from moderns who saw McGwire strike out 155 times and Sosa 171 times last season. In his career, DiMaggio had 361 home runs. And only 369 strike outs. That ratio may be the record that really does stand for all time. The next player on the list — Yogi Berra (358 vs. 415) — is miles ahead of anybody else.

▼ ROWING UP in the hard-working neighborhoods near Fisher-man's Wharf in San Francisco, DiMaggio defined himself hy his craftsmanship. To him, baseball was an honorable profession. But only if you honored the game and your own talent

"I went to the outfield every day and worked," DiMaggio said, "I made a ritual of charging ground balls so I could adjust my way of straightening up to throw. People say I was graceful. I was not aware of it, I practiced hard, I was a complete player because I worked at it. I remember how good a fungo hitter Earl Combs was. He could put the ball just inches beyond your glove."

DiMaggio's grace continued off the field. He seldom spoke when it was unnecessary. When Polident wanted him to hawk their denture powder, he said, "Tell 'em I've still got my own teeth." When Grecian Formula offered him \$250,000 --- a ton of money then --- he declined. He didn't tint his hair. "It isn't that I don't like money," he said, "it's

25 ...

ž <u>–</u>

47.

DEVIS

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waste his time explaining it to you? Personality lives in silence. If you have one, you don't like to invade its privacy.

Few men in sports have ever had such propriate to the moment - on the field or off it. A year after he retired, DiMaggio went to one game in St. Louis and stood way out in left field on a hill."

"Nobody saw me," he said. In just a short time, he realized that retirement would be as natural to him as playing. 'My injuries were there," he said. They were just too much. I knew my body. I understood myself."

Few do. Millions sensed he did and respected him for it even as they deeply wished that by watching him, they might learn a bit of the knack themselves.

# SCOREBOARD

# BASEBALL **EXHIBITION BASEBALI**

SUMPAY RESULTS . Boston 7. : exes 6, 10 inclings - Cinclinati 10, Toronto 1, 1st game, 7 inpings Nousion 3. Konsas City 2 St. Louis 6, Montreal 1
Philodele Pittsburgh 10, Philadelphia R.Y. Mets 2, Los Angeles 2 N.Y. Yankees 4, Minnesola

theim 9, Caldand & 10 lamina

Arizona 11, Chicago White Sox 5

ago Cuba 7, Allia

## BASKETBALL

NBA STANDINGS					
			<b>Billion</b>		
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Philiadelphia	10	<b>'</b>	.588	AE.	
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		IT DIA			
lnatone Milwaykee	12	<b>5</b>	.706	Ξ.	
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	8	8	.500	314	
Cleveland	7	8	467	4.	
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- Charlotte	4	11	.267	7.	
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San Antonio	10	8	.556	3%	
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Denver	5	13	.276	8%	
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	PACIFIC DIVISION				
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34		T 165	-		

N.J.: Von Horn 8-24 5-8 22, Kittles 8-20 3-4 71; N.Y. Ewing 14:12-6 30. Houston 6-11 4-5 17. Rabounds: New Jersey 59 (Von Horn 16), New York 47 (Ewing 9). Assists: New Jersey 21 (GBL Murdock 4), New York 24

21 20 21 23-85 M- Mouroing 8-15 1-4 17. He 2 15: I: Allier 4-10 4-4 16, Smits 6-13 2-2 14. Rebessis: Miami 46 (Mourning 13), Indiana 43 (D.Davis 9), Assists: Miami 18 (Hardaway

Washington 22 30 20 18 13—163 Philadelphia 27 17 21 25 5— 95 W: Howard 8-20 12-14 28, Rich 522; P: (verson 8-26 14-16 30, Rolllift 6-10 4-9 16. Reheards: Washington 57 (Thorpe 11), Philadelphia 60 (Lynch 11). Assists: chington 22 (Strictions 7), Philadelphia

B: Walker 11-16-4-11 29. Mercer 8-155-6-22.
T: V.Corker 9-10 8-9 26. Christin 4-13-9-10 17.
Reheateds: Boston 47 (Mercer 7), Toronto 66 (Oglidey 13), Assists: Boston 24 (Anderson 6).

1. Duke (69)

26 19 32 29— 97 26 24 24 21— 89 3: Bryant 7-16 10-13 24, O'Neal 10-16 3-13 22; U: Maione 10-22 14-1934, Stackton 0-15 0-0 14. Rubonuds: Los Angeles 57 (O'Neat 16), Utah 48 (Osterlag 11). Assists: Laters 13 (Janes, Harper 4), Utah 12 (Stackton 7). San Antonio 29 22 29 25—106 Derever 29 21 29 25—96 S.A.: Derscon 14-27 6-1034. Robbinson 5-8-6 8140 Dr. McDyess 12-20 5-8 29, Von Exel 9-18 0-1 18, Robbonds: San Antonio 29 175—175.

9-1 18. Rebounds: Son Antonio 53 (Duncus 12), Denver 33 (McDyess 12), Amiste: Son Amkondo 26 (Johnson 14), Denver 27 (Von Minmeste 23 32 22 21— tel Section 18 17 25 17— 77 M: Garnett 7-13 5-6 19, Seoly 8-13 2-2 18: 5: Paylor 9-27 1-2 20, Ellis 5-13 0-0 12

Reboonda; Minnesoto 45 Sectifie 54 (Polynics 12), Ass H: Olojuwon 6-10 4-4 16. Pippen 3-11 2-2 10. Bariley 4-12 2-4 10: P: Rider 8-17 4-5 21, Jackson 5-9 1-3 14. Rehounds: Housion 43 (Bartiery 8), Portland 40 (Orteol. Grapt 6).

D: Trent 8-19 2-2 18. Ficiley 7-19 3-6 18. S: Webber 8-13 2-8 10. Williamson 7-12 1-4 15. Rubocote: Dullas 63 (Trent 1-4). Sacramento

U.S. COLLGE SCORES SUNDAY RESULTS MEN TOP 25 No. 1. Duter (12-1) def. No. 15 N.C. (24-9) 96-73. No. 2. Michigan St. (29-4) def. Hibrois 67-90. No. 14 Ny. (25-8) def. No. 23 Ads. (22-10) 69-67. TOWNSHAMENTS THAT ATLANTIC COAST C

Duke 96. North Carolina 73 850 12 Constanti Konsas 53. Oktoboma St. 37 SIG TEN CO Michigan St. 67, Illinois 50

THE AP MEN'S TOP 25 Top 25 teams in Associated Press\* finel men's college besietted poll, with 1st-class

reurs w comego benefitettett polit, with 1st-place votes in personnerse, records through filarch 7, total points based on 25 points fo 1st-place vote through 1 active free 25th also Phs 1,784 1,635 1,463 1,434 1,396 1,316 1, Duke (69)
 Michigan St. (11
 Connecticut
 Autourn
 Maryland
 Utah
 Standard
 Kentucky
 Standard
 Kentucky
 Standard
 Kentucky
 Standard
 Macmi 24. N.C. Charlotte 25. New Mexico Others receivit Oklatroma St. 56, 1

Louisville 30, Rhode Issues ... Murray St. 17, lower St, 12, Purdoe 12, Detroit 11. Kent 11, Mikmi, Ohio 10, Creighton 9, 12. Machington 6, Weber St. ICEHOCKEY NHL STANDINGS EASTERN CONFERENCE

Locknancet 4, N.J.-Sykora 22 (Niedermayer, Skwerns) 5, New Jessey, Pedesson 11 (Montann. Odelein) (pp). 6, New York, Resichel 19 (Lorsson, Pelifty) (pp). Third Period: None. Shefs on goot; N.J. 14-10-29, New York 49-8-27. Gostlers: N.J.-Brodeur; New York, Sato.
N.Y. Ramgers

0 2 1—3
Boston

0 0 1—1 Bestien

First Period—No scoring, Secend Period—

First Period—No scoring, Secend Period—

New York, MacLean 22 (Schreider) 2, New York, MacLean 12 (Fedrid (sh), Third Period: B-Wison I (Mann, Thombon) 4, New York, Stevens 16 (Sovard) Shots on goals New York, 6-8-4—18.B. 8-15-15—38, Gadles; New York 6-6-4-8.B. 8-15-15—38, Gadles; New York 6-6-4-8.B. 8-15-15—38.

PACIFIC DIVISION

W 1. 7 Pts GF GA

40 12 10 90 181 125
31 22 10 72 157 149
30 25 9 69 172 154
22 28 14 58 141 152
23 36 5 51 145 172 First Period: P-Straka 31 (Titov, Koyaley) Second Period—No scoring. Third Period: C-Solids 30 (Lemieux, Komensky) 3, C-Hejduk dragish, Lefebyre) 4. C.- Lemieux 23 Dollos 2 2 First Period: D-Lehtinen 18 (Mox

30 19 15 75 192 150 32 21 9 73 194 172 27 28 8 62 178 175 19 38 8 46 152 197 Nisuwendyk) 2, D-Modemo 26 (Zubov) (pp). 3, S.L.-Macinels 18 (Turgeon, Pelletin) (pp). Secand Period: D-Langenbruaner 11 (Hrkoc, Marshall) 5, D-Verbeek 15 (Nieuwendyk, Halchert Third Period: 5.L.-Turgeon 24 (Pellerin, Persson) Shots or 9—34. D- 10-9-3--22. Godi sson) Shots on gool: S.L.-15-10-7-3--22. Goolies: S.L.-Carey. D-

Buffide

First Period: None. Second Period: None. Third Period: Philodephic. Zelepatin 13 (Renberg. Langkow) 2, B.-Shannon 3 (Sanderson, Brown) Overtine: None. Shots en god: P. 10-12-9-0-31, B.-3-8-9-2-22. Goulies: P-Vomblesbrouck, B.-Skron. Defreit A.-Rucchin 1 1 1—3 First Period: A-Mainnis 18 (Sefanre. Ciousson) (pp). Second Period: A-Rucchin 23 (Korlya) (sp.). Third Period: O-Yzerman 26 (Lidstrom, Holmstrom) (pp). 4.-Sandstrom 11 (McImits) Shets on goet: D-13-6-15-34. A- 7-12-6-25. Gealles: D-Osgood, A-Hebert. Hebert.
Nustratile 1 2 0—3
Pisostis 2 1 8—4
First Period: P-Tkachek 25 (Droke, Quint)
2 Nashrate. Bouchard 3 (Fitzgerok).
Bordeleau) 3, P., Adoms 14 (Tocchet,

Berdeteau) 3. P.-, Adoms 14. (Tocchet, Deigneuth) 4. P.-Tkochok 26. (Droke, Roenick) Secret Period: Noshville. Welles: 10 (Berdeleon, Bouchard). 6. P.-Tkochok 27. (Droke, Roenick) 7. Nashville. Welles: 11. (Lambert, Bordeleon) Third Period: None. Shots on goal: Nashville: 12-6-8-26. P.-11-13-11-35. Goalies: Noshville: P-Khabibulin. First Period: V-Modiliny 7 (Ho)

V-Aucoin 16 (Nashind. Overtime: None. Shots on 4—23. V-7-12-8-2-29. God

CYCLING PARIS-NICE

1811., 20 NCC.

2. Shurt O'Grady, Aus. Credit Agricole, at 2 s.

3. Frank Vandenbroucke, Belg., Cofidis, at 6

4. San Kirstpur, Estanle, Cosino 7

5. Andrei Chmil, Belgium, Lotto 7

6. Philippe Gaumant, France, Colidis 10 rpin., 20 sec. 7. Rolf Sorensen, Dentnark, Rabobank 17

Leading placings Monday in 184.7-km (102-solis, first spage from Nangis to Sens. 1. Andrei Tchmil, Belgium, Lotio 4 hours 42

10. Marc Wanters, Beiglum, Robobank, s.t. overstatte 1. Toball 4 hours 52 miseles 41 seconds; 2. O'Grady at 2 sec.; 3. Sorenson Bakker 26; 7. Dekker 27; 8. Boogerd 34; 9. Zberg 40 18. Van Bon 45

> CRICKET ASIAN TEST CHAMP

ASIAN TEST CHARLOCOMPONENTS
PARISTAN YES, SEE LANGA
FIFTH DAY
BONDAY BI LAHORE, PARISTAN
Policison: 398 and 314-8 dec.
Sri Lanice: 328 and 165-2.
Mother ended in draw, Final in Ditalos
Feb. 12. Policison vs. Sri Lanice. NEW ZEALAND 'A' VS. SOWIE A THREE DAY MATCH MONDAY IN LINCOLM, NEW ZEALAND Match ended in draw. WRST DEDRES VS. ADSTRALLA FRIST TEST, POURTH DAY HONDAY IN PORT OF SPAIN, TRINGAN

West Indies: 167 and 51.
Australia wan by 312 runs.

DORAL RYDER OPEN Final scores and earnings Sunday from Golf and Resourt Spa mass Sleve Ethioppon, Ass. Greg Kroft, U.S. Don'd Toms, U.S. Tommy Armour 3d, U.S. Jay Hoos, U.S. Ernle Eth. S. Airlico Scott Donido, U.S. Darny Briggs, U.S. P.H. Horgon 3d, U.S. Golfald Hjershelt, Swe. Nick Price, Zimhabwe Guy Hill, U.S. Greg Chollmera, Aus. Glen Doy, U.S.

WORLD RANKINGS 1. Tiger Woods, U.S., 1270 polizis evenage 2. David Duvol, U.S., 11.11 3. Emie Els, South Africa, 9.87 4. Davis Love 3d., U.S., 9.79 S. Mark O'Meard, U.S., 9.46 6. Lee Wastwood, Brilato, 9.10 7. Colin Montgomeric, Brilato, 8. Vijoy Singh, Filt. 0.11 9. Nick Price. Zind ord 7.51 11. Jim Foryk, U.S., 7.33 12. Phil Mickelson, U.S., 13. Fred Couples, U.S., 7.05 14. Masashi Qsald, Japan, 6.77 15. Jeff Maggert, U.S., 6.40 16. Sieve Elkington, Austrolia, 6 17. Darren Clorka, Brilain, 5.82

SOCCER

PLACE COP SURBAY IN QUATESLALA CITY Paraguny S. Bolivia 0 Guntemaia 2. Janualca 4 FINAL STANDINI G. Paraguay Jamaica 4: Balivia 4: Guriemaia D. SPANSEL PRET DIVISION file 1 Allelico Modrid 0

Celta Vigo 4 Real Bells 0 STATEMENTS: Barcelona 47 points; Valenda 43; Cetto Vigo 42; Malloras 42; Carvas 41; Real Medita 40: Bilban 30; Sociedad 37; Zaragaza 36: Oviedo 35; Rael Betis 34; Alletto Modrid 33; Sanlander 32; Espanyol 32; Val-ladald 32; Villamed 29; Aloves 24; Tanerife mco 22; Extremodero 21. STASSAN FIRST DIVISION orio 1, Juvenius 2

STANDUNGS, Lodo 51; Florensing 47; ANion 46; Parma 44; Udinese 39; Juvershu 37; Later 35; Roma 35; Bologna 35; Bari 30; Cogliari 29; Venezia 29; Perugia 29; Sanu-doria 23; Pioseszu 22; Vicesza 20; Salery-

TENNIS TEMPLETON CLASSIC SURDAY IN SCOTTEDALE, AMEZONA PRIVALS

un-Michael Gambill, U.S., def. wit, Anstrolia, 7-6, 7-2), 4-6, 6-4, SECOND ROUSE

Williams, U.S., def. Lindsay DayU.S., 64, 6-2.

105. 25m., def. Intro Spirice, 13),

Williams, U.S., def. 

Patty Schwyder, 70), Switz, del. Alicia Mg. Bi. Aus., 3-6, 6-1, 6-2, Amanda Coetzus, 7), S. Africz, del. Juli., Haktri-Decugis, Fr., 6-4, 6-7, 6-8), 7-6, 7-3). irine Testud, 12), Fr., def. Olga Boro-Rita Grande, It., def. Litia Ost And Grande, It., and Lina Uncertain, U.S. a-4.6.4.
Chanda Rubin, U.S., def. Conchita Marifinez, 14). Spain, 6-3, 6-4.
Brie Rippine, U.S., def. Barbara Ritinez,
Germany, 6-4.6-4.
Al Soglyama, Japan, def. Lisa Raymond,
U.S., 7-6, 8-6, 7-5.
Hernitain Macorons. Standids, def. Silvia

Heruleta Nagyova, Slovatda, del. Silvia Furina, Itoty, 6-2, 6-4. ATP RANKING Pete Sampros, U.S. 3.449 points. (1)
 Yvegeny Kafeinikov, Russia, 3,382 (2)
 Alex Cornelly, Spain, 3,250 (3)
 Acutos Mayo, Spain, 3,254 (4)
 Putrick Rafter, Australia, 3,134 (5) . Marcela Rios. Chile. 2.865 (6) 7. Tim Hen

9. Andre Agussi. U.S., 2,491 (8)
10. Greg Rusenisti. British. 2,427 (10)
11. Todd Marlin, U.S., 2,201 (11)
12. Karal Kuciro. Slovelda. 2,160 (12) 11. Todd Marlin, U.S., 2,201 (T)
12. Kurul Kucker, Slovelde, 2,160 (12)
13. Govern Kucker, Slovelde, 2,160 (12)
14. Thomas Engvist, Swaden, 1,930 (13)
15. Albert Costo, Spain, 1,873 (15)
16. Mark Philippousels, Amstudie, 1,700 (1)
17. Tomany Hoas, Germany, 1,644 (18)
10. Thomas Johansson, Swaden, 1,805 (16)
19. Cedric Pholine, France, 1,512 (20)
20. Felix Mantilla, Spain, 1,822 (19)
Cost week's positions in committee. ten, 1,605 (16)

TRANSITIONS

NATIONAL MOCKEY LEAGUE

INHL—Suspended Detroft F Sergel Fedorafor S gornes for stoshing incident oppliest N.Y
islanders O Z deno Chara in Feb. 27 game.
CAROLINIA—Assigned F Shone Willis to
New Hover. AHL. New Hoven, AHL
GRICAGO—Reculled F Jean-Pierre Demont
and F Josef Marhs from Portional, AHL
BALLAS—Put RW Brett Hall on Injured reserve, retroctive to Feb. 25. Recalled CAston
Govey from Michigam tHL Assigned O
Sergey Guser and LW Dan Keczner to
Michigan for conditioning.
RDecorros—Assigned C Chris. Ferroro
and LW Dan Locother in Hamilton, AHL
FLORIDA—Re-consistent of Victoria For

Jana Nyvohn, 4), Crech R., def. Mary Joe
Fernandez, U.S. 6-0, 6-2
Mary Plance, G. France, def. Any Frazies
U.S. 6-4, 6-3.
Sheffi Graf. 5), Ger., def. Kvelosiava HrdSheffi Graf. 5), Ger., def. 5

مكنامن الأرمل

# **SPORTS**

# Duke, NCAA's 'lop Will Play Close to Home Connecticut, a Formidable Opponent, Goes West said. "Tve always been a bracket guy r more than geography." Connecticut should like the Wes Stanford. (25-6), a te The No. 3

The seeding committee sent Duke's most formidable potential opponent, Connecticut, to the West Coast. The committee's other picks and seedings Sunday suggest that the balance of power in college basketball has shifted to the East and Midwest.

The No. 1-ranked Blue Devils (32-1) will begin their national title campaign as the top team in the East Region on Friday, in their home state of North Carolina. They topped off As dominating year by thumping North Carolina, 96-73, in the Atlantic Coast Conference tournament final on Sunday, the record would have been broken tournament final on Sunday in Charlotte, and they will return there Friday against the team with the worst record in the field of 64: Florida A&M, the champion of the Mid-Eastern Ath-

months, or even six weeks ago, that we would be playing in the NCAA tournament against Duke, I would have laughed, said Mickey Clayton, the Florida A&M coach.

Mike Krzyzewski, the Duke coach, said that even if the Blue Devils did not win the -tournament after being selected as the na-tion's toughest team, "we'll know that we did ceverything we could to try to win it and we

didn't let pressure stop us."

( Connecticut (28-1) was made the topseeded team in the West Region and will try once again to get to its first Final Four, be-leginning Thursday against Texas-San Antonio (18-10) in Denver. Like Duke, Connecticut Leaptured its regular-season and conference tournament championships in impressive fashion, whipping St. John's, 82-63, to win the Big East on Saturday.

"UConn came out second but had to go out g of the region because Duke was the top seed," said C.M. Newton, chairman of the NCAA selection committee.

Jim Calboun, Connecticut's coach, said he expected his team would be moved geographically, adding that he was more worried about , who the opponents would be than where his

"I just care about going someplace and finding out who is there, who we have to play against to get where we want to be," Calhoun

more than geography."

Connecticut should like the West; the second seed is Stanford (25-6), a team the Huskies beat in February. The No. 3 seed is North Carolina and No. 4 is Ohio State.

Authorn (27-3) and Michigan State (29-6)

Aubum (27-3) and Michigan State (29-4) earned top seedings in their home regions of the South and the Midwest.

Overall, the tournament bids provoked little controversy. The Big. Ten, led by Michigan State, put the most teams in the tournament—seven—tying the record set by the Big East in 1991 and the Big Ten in 1994.

The traditionally powerful Atlantic Coast Conference did not fare as well. Only Mary-land (26-5) and North Carolina (24-9) advanced to the tournament along with Duke. thetic Conference despite a 12-18 record.

Three teams was the ACC's lowest total since two were chosen for the field of 48 in 1980. The Big East, with Connecticut, No. 2 Miami and No. 3 St. John's, also had three

teams in the top 16. The Southeastern Conference has one-fourth of the top-16 seeds: Auburn, No. 3 Kentucky and No. 4s Tennessee and Arkansas.

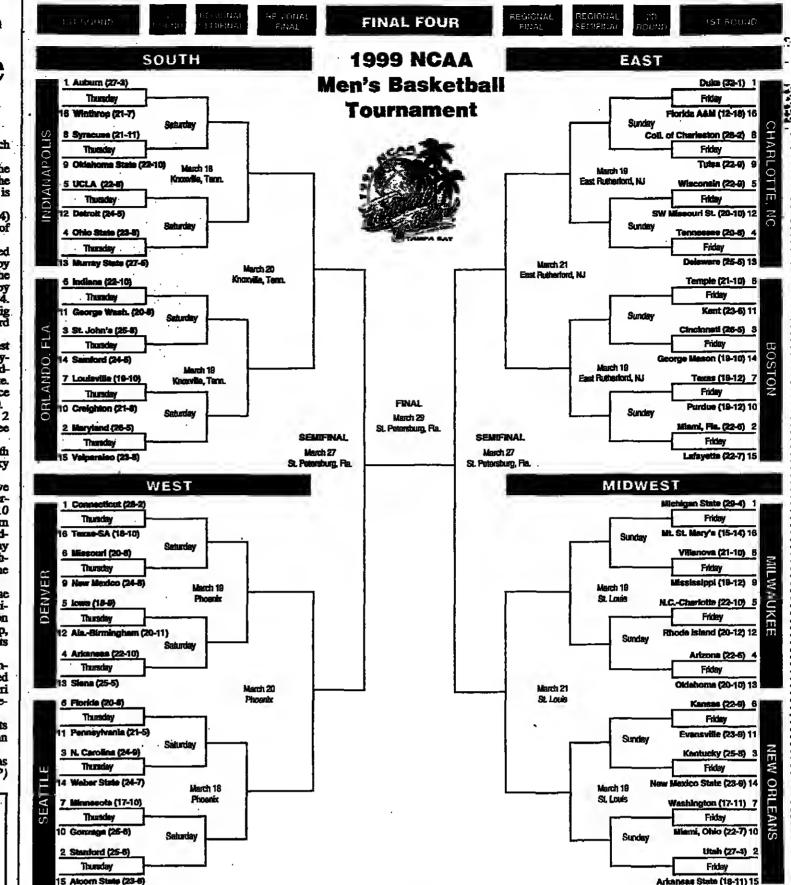
The Big East and Big 12 each had five teams invited. The other multi-bid conferences were Conference USA and the Pac-10 with four each; Missouri Valley and Western Athletic with three teams each; and the Mid-American with two. Michigan State will play Friday against Mount St. Mary's, the Northeast Conference champions coached by the 800-game winner Jim Phelan.

Auburn, which lost to Kentucky in the Southeastern Conference tournament semifinals, opens play in the South Regional on Thursday in Indianapolis against Winthrop, the Big South champion, which is making its

first tournament appearance. The other games in Charlotte will be Tenasee against No. 13 Delaware, fifth-seeded Wisconsin against No. 12 Southwest Missouri State and eighth-seeded College of Charle-ston against No. 9 Tulsa.

North Carolina extended its record with its 25th consecutive appearance, 10 more than the next-best current streak, Arizona's 15. The other first-time teams are Arkansas

State, Kent and Samford.



# Lady Vols vs. Familiar Faces

### Southeastern Conference Rules Women's Tourney

The Associated Press away, from SEC teams," said Pat Summitt, the defending national champion, Tennessee, will have plenty of company from There were no surprises in the No. 1 its league in the NCAA women's backetball, seeds, with the other slots going to toptournament. (Midwest), third-ranked
Tennessee, the No. 1 seed in the East
Louisiana Tech (West) and sixth-ranked

Region, headed a contingent of eight South- Connecticut (Mideast). eastern Conference teams chos tournament on Sunday, a record for one

The second-ranked Lady Vols (28-2), seeking a fourth consecutive title, were joined in the 64-team field by SEC members Alabama, Aubum, Florida, Georgia, Kentucky, Louisiana State and Mississippi

So many SEC teams made the tournament that Tennessee could run into one as carly as the third round. Auburn, which lost to Tennessee by only eight points on Feb. 14, was made the No. 5 seed in the East.

Friday. The remaining first-round games are scheduled for Saturday, also at eight sites. The top 16 seeds in the tournament are the bost schools for the first- and second-

Purdue has beaten two of the other No. 1 seeds — Tennessee and Louisiana Tech —

"I don't think we feel any pressure at all," said Stephanie White-McCarty of Purdue.
"This is what we live for. We live for the tournament. The main thing for us is to just stay focused because every game could be 'At this time of year, I prefer to stay your last and we need to play that way.'

# Spartans Rout Upstart Illini to Win Big Ten Tournament

CHICAGO -- Illinois returned to its regularseason form as its three-game run through the Big Ten tournament came to an end with a crushing loss to Michigan State in the conference championship

The Spartans won, 67-50, on Sunday for their 18th straight victory. They also won the regular-season conference title and set a school record for

victories with 29, against four losses. Michigan State took advantage of the exhausted Illini, who spent the entire season at the bottom of the Big Ten, winning just three conference games, and then upsetting Minnesota, Indiana and Ohio State to advance to the tournament final. But the Illini could not match up with the Spartans, who

The power forward Antonio Smith had 13 re- for-5 from the free-throw line. bounds for Michigan State, including nine in the

a State 37 Kansas is still the only team to win the Big 12 tournament.

The Jayhawks beat Oklahoma State in the conference final on Sunday in Kansas City for their third title since the conference was created three years ago. The title came after a regular season in which the Jayhawks lost five conference games, finishing tied for second and breaking a streak of two Big 12 championships plus two in the Big Eight

Oklahoma State (22-10), playing its fourth game in as many days, shot just 23 percent from the field

CALVIN AND HOBBES

In games reported in late editions, Monday: No. 14 Kentucky 76, No. 22 Arkanese 63 In Atlanta, Kentucky beat Arkansas to capture the Sontheastern Conference tournament.

Kentucky (25-8), the defending national champion, had not lost eight games in a season since the 1989-90 season. But, in the tournament, it upset No. 4 Anburn in the semifinals before wearing down Arkansas in the final.

No. 1 Dake 96, No. 15 North Carolina 73 In Charlotte, North Carolina, Duke (32-1) beat North Carolina in the Atlantic Coast Conference title game, completing an unbeaten run through the ACC regular season and postseason. (AP. WP) ular season and postseason.

# DENNIS THE MENACE

THE TRUTH IS WHAT YA TELL WHEN YOU RUN OUT OF GOOD EXCUSES."

MARIE ECTAN PHRAC ARUSSE HERFIE



# PEANUTS.

GARFIELD

NOTICE WHEN I THROW THE BALL...THE POG FETCHES IT

BEETLE BAILEY

SPAGHETTI, ZERO?

BLONDIE

TO GET IN THE

GOING TOY BUT I'VE BEEN IN

HOW CAN HE SAY CAN'T BELIEVE IT! HE SAID THAT'S ALL THE TIME WE HAVE LEFT. WHAT'S HE TALKING ABOUT?I'VE GOT AHEAD OF ME! PLENTY OF TIME!



A CAT WON'T

FIVE MINUTES, ETERNITY-WISE, IS BUT A HICCUP ON THE ENGLESS



I ASSUME YOU TIED

YOUR OWN APRON,

N 607



HOPE

ARE YOU GOING TO LET HIM TALK TO YOU LIKE THAT?!

DON'T KNOW

I'M STILL

















### NON SEQUITUR

our special tangett drums an approval Rating of ste by men, with see who deapprove and 7% with no orthion THE APPROVAL RATING FROM WOMEN. HOWEVER, HAS HELD STEADY AT 75%...



DINING OUT IN WASHINGTON

GOVERNOR VENTURA, ARE YOU STILL PRO-POSING TO CUT RUM ING POR MINNESOTA



HELL, YES! IT'S THAT THE BEFFER, ONENPAID RADIO "REPONALITIES" GOT OF THE DOLE AND PULLED



### ART BUCHWALD

# Turning the Tables

NEW YORK — You've seen the Barbara Walters interview with Monica Lewinsky. Now you can read the book. America's most famous intern tells a lot more than we know already. Whether it's Starr perjured himself, then more than we really want to be could be impeached as know is up to the special pros-

ecutor's office. not President Bill Clinton but Ken Starr. For the first time we have Monica's

version of what happened the fateful day that Starr's staff kidnapped ber and beld ber hostage at the Carlton Hotel in Vir-

It was not the love fest Starr bas always maintained it was. The special prosecutor's staff, according to Monica, would not let her call a lawyer she would get 27 years in the slammer for refusing to cooperate in Start's efforts to one is above it, whether you assassinate the president.

Starr has had complete control over what Monica says, but his gag order ap-parently did not apply to the

What makes this a continuing soap opera is that now Starr is being investigated by the Justice Department for the way he handled his investigation. If it is discovered that President Clinton was.

If the Justice Department The villain of her book is pursues a high crime or misdemeaner, it would mean that a new special prosecumr would have to be appointed to investigate the present prosecutor.

The first order of business would be to lock Starr up in a suite at the Ritz Carlton and refuse to let him call his lawyer or his mother. The second thing would be to threaten Starr with 27 years of jail time if he refuses to admit that he was involved in phone sex.

Starr did a good job on his investigation leading the or her mother. They told her country on the hunt from Whitewater to a sex scandal. But the law is the law, and no live in Maryland or in the White House.

1 hope my scenario does not bappen. But don't get mad at me. It was Ken Starr who

## Alabama's Bloody Sunday

SELMA, Alabama — About 1,500 people made their way across the Edmund Pettus Bridge in remembrance of the clash between Alabama state troopers and civil rights march-

ers bere more than 30 years ago.

"I enjoy repeating history," said James Armstrong, who was there for the original crossing on March 7, 1965—a day that came to be known as Bloody Sunday. "I hope the young folks get something out of it."

Also among the marchers Sunday were a delegation from the U.S. Congress, led by Representative John Lewis of Georgia, and Coretta Scott King, widow of the slain civil rights leader Martin Luther King Jr. Lewis led the 1965 walk across the bridge, in which marchers were beaten and tear-gassed by state troopers.

# The Enigmatic Odyssey of Stanley Kubrick

By Stephen Hunter Washington Post Service

WASHINGTON — "Across the gulf of space, minds that are to our minds as ours are to those of the beasts that perish, intellects vast and cool and unsympathetic, regarded this earth with envious eyes."

Those happen to be from the first lines of H.G. Wells's "War of the Worlds," but they could serve equally well as an epitapb for the great director Stanley Kubrick, who died Sunday in London of undetermined causes at the age of 70, leaving a filmography at once mysterious, beautiful and dispiriting.

Kubrick was an intellect vast and cool and

unsympathetic who spent a lifetime seeming to observe life on Earth as if from an alien platform. He may have been an alien himself, though conventional sources give his place of hirth as the Bronx, in 1928, and the same sources claim he had parents, an actual boyhood, an apprenticeship as a photographer and a few low-budget crime films in the '50s.

You don't have to have a mind corrupted by "The X-Files" to regard that as a cover story. His movies seem to observe mankind from orbit as a pathetic race of antike scurriers for "Dr. Strangelove," said that the only engaged in this or that species of violent folly way be could survive his relationship with - war was a particular favorite, sexual dysfunction another - while busily unaware that the future approaches, a future soulless and violent, and with it a great disillusionment.

He was capable of making comedy about the end of the world, in which atomic mushrooms detonate in musical syncopation to the schmaltzy tune "We'll Meet Again," and most of humanity is subsumed in the fire and ash of its own hysterical self-destruction. That was his view of man: idiots who could build an atomic bomb and were helpless to keep it from blowing up but wrote good cheap music. It wasn't a cheery view, unless you were sitting in the andience, taken by the chilly spectacle of it all.

That chorus of bombs bursting in air signifying that at the end of the night we were not there is a montage, of course, from "Dr. of their own stupid, murderous officers. Strangelove, or: How I Learned to Stop Worrying and Love the Bomb," a collaboration with Terry Southern and Peter George (on whose straightforward novel "Red Alert" the film was based). It catapulted Kubrick to fame in 1964. But he was already far from unknown, and his reputation as an aloof thing except the end result preceded him.

Stanley Kubrick, in a photo taken in 1988. His successes were few and genuine.

the director was on tranquilizers. And Kubrick was brutal on actors.

A photographer for Look magazine at a precocious age of 17, Kubrick jumped into independent filmmaking in the mid-'50s with two taut urban thrillers, "Fear and Desire" (1953) and "The Killing" (1956). These brought him Hollywood attention, and his first big film was produced hy star Kirk Douglas, "Paths of Glory," about an injustice in the French Army during World War I. In many ways it was more Douglas's film than Kubrick's, but the film's point of view, its most salient and memorable quality, was purely Kubrickian: War was a giant anthill that dwarfed the poor soldiers who attempted to take it, killing them, shellshocking them or turning them into victims

Kubrick took over for Anthony Mann during the shooting of Douglas's production of "Spartacus" (1960). Again, the movie is more Douglas than Knbrick. But it was a hit, and it did much to provide him with the independence that allowed his career to flourish. He didn't want to fight for control perfectionist who cared nothing about any-thing except the end result preceded him. or vision. His quest for perfection was so intense that he ultimately sealed himself off ing except the end result preceded him.

intense that he ultimately sealed himself off human intelligence. Essentially an account to tinker with. In the end, his greatest triumph Ken Adam, who designed the brilliant sets in a world of his own devising in England, of mankind's first contact with aliens (who, was a triumph of the will.

where he made films incongruously set in the United States, Vietnam and onter space.

His next film was a controversial version another maverick's novel, Vladimir Nabokov's "Lolita," which met with mixed reception in 1962. But "Strangelove," that still-brilliant meditation on man's tendencies toward self-incineration, arrived in 1964. It must be said that as an object of lampoon, the think-tank mantra of Mutually Assured Destruction, which underlay American and Soviet nuclear thought, provided endless comic possibilities, which Knbrick exploited brilliantly. It was a great American movie, and one can throw it in the VCR any night of the week and spend a delirious two

Kubrick's next film was four long years in the making, and some MGM executives wondered if the title actually indicated the release date: "2001: A Space Odyssey." It started a computer, named HAL, in many ways one of Kuhrick's most interesting characters. This was the seminal '60s movie event, which was nothing less ambitions than an assault on one of mankind's most cherished achievements: the narrative.

Kubrick used the film to deconstruct the artificiality of story and to define the limits of

like Wells's Martians, had been watching us for some time and subtly influencing us), it follows a deep-space mission tracking sig-nals that will lead us to The Other. No cuddly E.T. for Kubrick, rather, Knbrick's alien was so far beyond human understanding that it made no sense. The movie ends in a helterskelter of visual pyrotechnics as the world of haman logic has been left far behind.

His later movies, so slow in the birthing were always an event and, sadly, usually a disappointment. His controversial "Clockwork Orange" (1971), derived from the Anthony Burgess novel, was a dazzling as it was repellent. "Barry Lyndon" (1975) never came alive, although its flickery re-creation came alive, although its lickery re-creation of the 18th century was majestic. There was "The Shining" of 1980, in which Jack Nicholson was allowed to froth so powerfully that he eventually overcame what was a too-respectful version of a Stephen King novel. Even the masterpiece "Full Metal Jacket" baffled as many as it pleased. He shot it

in England, in a deserted and crumbling gasworks that, with a few shattered palm trees thrown in, made a fairly good replica of the imperial city of Hue during the Marine assault on that Vietnamese hellhole at the

end of the Tet offensive. The movie was in three parts: an account of boot camp at Parris Island, dominated by a demonic yet wise sergeant (ex-Marine drill sergeant R. Lee Ermey); a kind of secondrate magical mystery tour of 'Nam, and a final embittered account of a patrol on the far banks of the Perfume River, where Matthew Modine's squad is assailed by a marksman who takes the boys down one by one until, finally and terrifyingly, they take him

down; except the marksman is a woman. Since then he was rumored to be active on many projects, but finally committed himself many projects, but finally communed number three years back to a psychosexual thriller called "Eyes Wide Shut," based on a 1926-Arthur Schnitzler novella called "Dream Story." He began filming in November 1996 and wrapped last June, a process made longer and more difficult by a few 40- to 50-take shots. The movie, starring Tom Cruise and Nicole Kidman, is set for release July 16. A large part of his largery will set on its reception. of his legacy will rest on its reception.
His successes were few but so genuine

that they intimidated Hollywood into giving him unprecedented control over his projects, which the studios (Warner Bros. was the last one) seemed grateful to release and terrified

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Kirk Douglas accepting his achievement award, with Janet Leigh.

for its star, Jerry Seinfeld, helping him for its star, Jerry Seinfeld, helping him to become the top-earning celebrity in 1998, according to Forbes magazine. Seinfeld and his collaborator, Larry David, earned \$267 million and \$242 million, respectively, from the \$1.7 billion sale of the recently ended sitcom. The director and producer Steven Spielberg is third on the list with \$1.75 berg is third on the list, with \$175 million, followed by the talk-show host Oprah Winfrey, with \$125 million, and the "Titanic" director, James Cameron, with \$115 million. Rounding ont the top 10 are the actor Tim Allen (\$77 million), the recently retired basketball player Michael Jordan (\$69 million), the writer and director Michael Crichton (\$65 million), the actor Harrison Ford (\$58 million) and the Rolling Stones (\$57 million). Forbes

C'ELLING "Scinfeld" into television

Syndication proved to be a bonanza

The Screen Actors Guild named

created estimates based on figures com-

piled from interviews with attorneys.

managers, agents, and executives.

Roberto Benigni as best lead actor for his role in "Life is Beautiful" and Gwyneth Paltrow received the best actress award, which she dedicated to her mother, the actress Blythe Danner. Paltrow, who won for her role in "Shakespeare in Love," has already won a Golden Globe for her performance, Kathy Bates and Robert Davall were honored for supporting roles, Bates as the politically savvy campaign troubleshooter in "Primary Colors," and Duvall, the tough, baseball-loving cor-porate attorney in "A Civil Action." Kirk Douglas was given the guild's Lifetime Achievement Award.

Britain's Prince Edward is not in viting Camilla Parker Bowles, the mistress of his eldest brother. Prince Charles, to his wedding in June so as not to upset their mother. Queen Elizabeth II, The Sun tabloid reported. Edward, Queen Elizabeth's youngest son, is to marry Sophie Rhys-Jones in Saint George's Chapel at Windsor Castle on

**PEOPLE** 

Prime Minister John Howard Avalon. Reports from the United States lashed out at the residents of an Australian beach who turned away "Baywatch." The producers of the American TV series decided to move from the proposed site at Avalon Beach, north of

Sydney, to the Gold Coast in Queens-land after protests by the community at trailian Broadcasting Corp. radio.

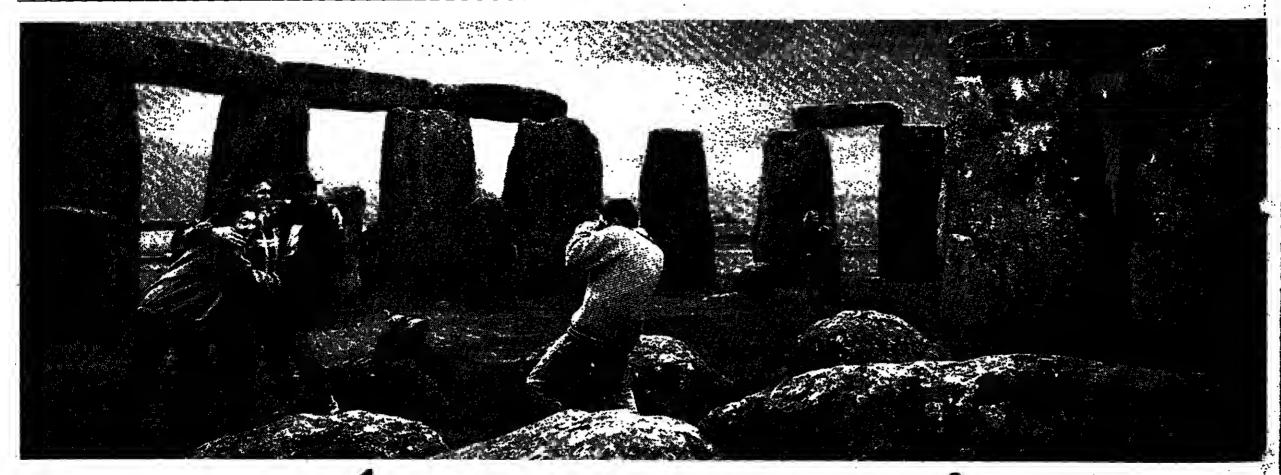
said the show might even be filmed in Hawaii. "Ultimately, that opportunity for more jobs and new investment, and I gness a further exposure of a part of our society, a part of our beautiful beaches,

# Monica Lewinsky Signs Her Book in London

Agence France-Presse LONDON - With an extrovert flourish of her fountain pen and a curt 'thank you,' Monica Lewinsky on Monday started promoting her biography, 'Monica's Story,' in the normally genteel surroundings of Harrods, London's

The former White House intern braved a blitz of camera flashes and the of, and maybe even a word with, the woman who nearly brought down a

For 15 long minutes she smiled nervously as the cameras flashed away, only later to rush away red-eyed, perhaps because of the merciless flashguns Twenty minutes later she was back again to finish the book-signing sess Most of the 300 people crowded inside the store, the first since 6:30 A.M. admitted they probably would not even read the book, authored by Andrew



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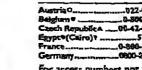
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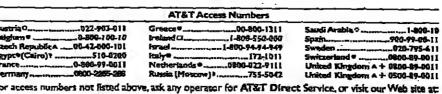
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